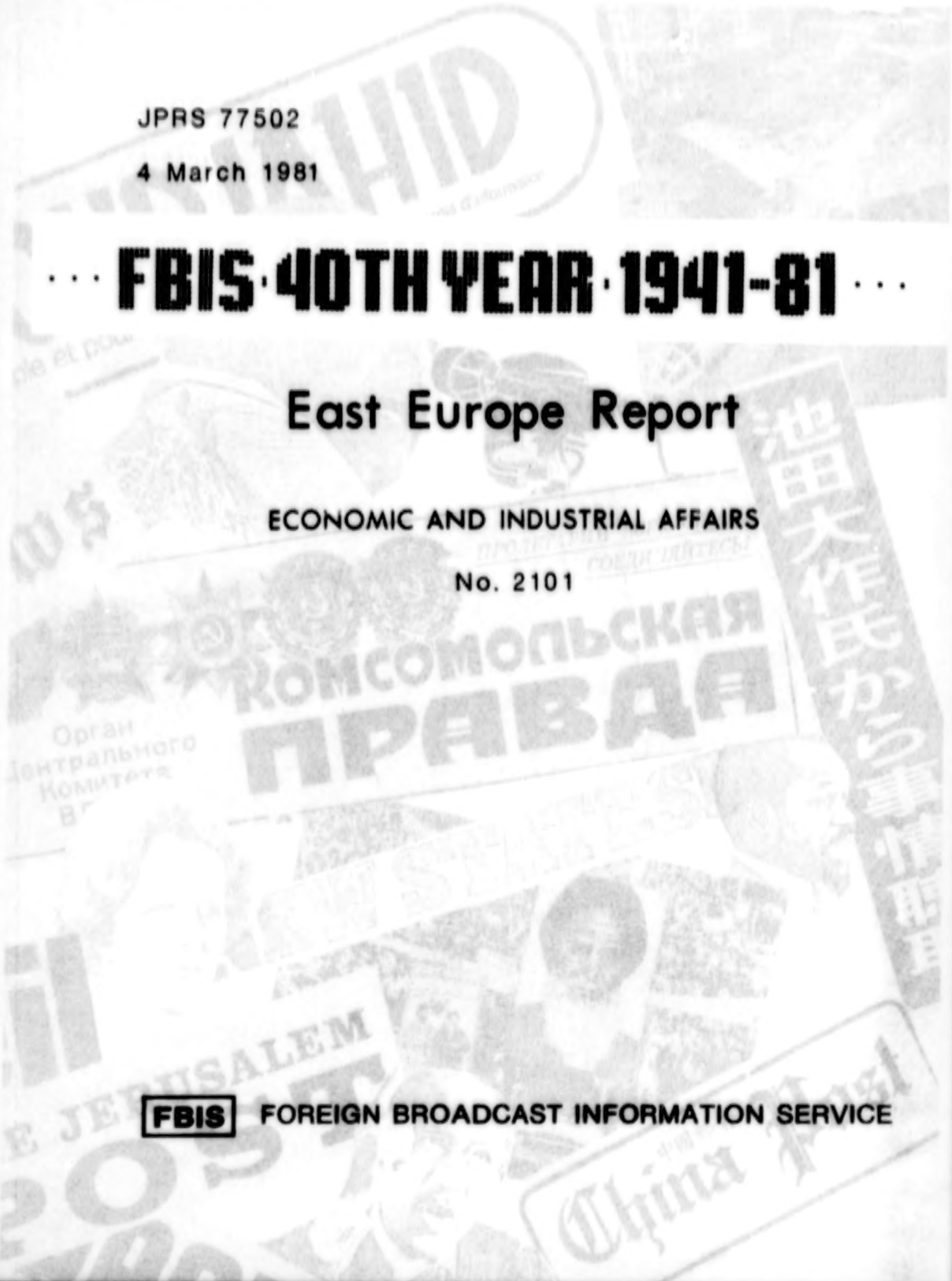

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4 March 1981

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East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2101

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EAST EUROPE REPORT

ECONOMIC AND INDUSTRIAL AFFAIRS

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YUGOSLAV-CZECHOSLOVAK TRADE PROTOCOL FOR 1981 SIGNED

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 9 Jan 81 p 11

[Text] Belgrade 15 Jan (CTK)--Today, the discussions were completed between the delegations of Yugoslavia and Czechoslovakia on exchange of goods and services for 1981, for which a protocol was signed. This document anticipates that the total good and services exchanged between Yugoslavia and Czechoslovakia this year, which also includes deliveries pursuant to the agreements on mutual cooperation in the field of nonferrous and ferrous metallurgy, will reach a value of $1.4 billion. This is a 6-percent increase over actual trade realized last year.

--It has been estimated that the 1980 actual results amounted to $1.3 billion in both directions, or 7 percent over the estimated, or 14 percent over 1979. Analysis also shows that trade in general balanced out.

Machine building and services are to be the actuators of the increase confirmed by the protocol for this year. A considerable rise in mutual services in the field of chemical industry consumer goods, and other sectors is also anticipated This year, Yugoslavia will supply Czechoslovakia with a larger number of agricultural and food products, and nonferrous metal products and will buy coking coal, ferrous metal products, wood industry products, etc; from Czechoslovakia.

This year alone, 700,000 tons of coking coal and 400,000 tons of ferrous metals products will be brought in. Our purchases of wood products will attain a value of $20 million, and that of chemical products will come to $50 million. Capital goods, nonmetals, and consumer good wills also be imported.

Yugoslav exports will encompass, first and foremost, products of the machine building industry, which will be the actuator of the planned increase, followed by nonferrous metals products in the amount of up to $100 million, and agricultural products and food industry products totaling $40 million. Our deliveries to Czechoslovakia will also include consumer goods and chemical industry products.

Considerable growth is expected in the services area: we are offering our Czechoslovak partners transport services in the amount of $300 million and a foreign exchange influx from this country of $130 million is expected.

The protocol on trade between Yugoslavia and Czechoslovakia was signed by Alia Basic, assistant federal secretary for foreign trade, and Alois Hloch, deputy minister of foreign trade of Czechoslovakia.

The signing of this protocol for 1981 comes a month in advance of the signing the long-term agreement on economic relations between the two countries for the 1981-1985 period.

9625
CSO: 2800

MACEDONIAN-BULGARIAN ECONOMIC COOPERATION OUTLINED

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 9 Jan 81 p 3

[Article by G. Dimevska: "More Favorable Treatment is Desired"]

[Text] In December 1980, at the Economic Chamber of Macedonia, representatives of the work organizations that cooperate with partners from the People's Republic of Bulgaria studied with great interest the Bulgarian proposal for confirming the general guidelines for the development of economic and scientific and technical cooperation with the SFRY during the next 5 years, as well as the question of the future representation of the Foreign Trade Network BOAL [Basic Organization of Associated Labor] from Macedonia in this neighboring country.

It was the general conclusion that too few organizations from Macedonia were included in this proposal. These organizations could have been included in the future Bulgarian-Yugoslav groups to the extent that they are established, especially in view of the fact that close cooperation, which is also understood to mean scientific and technical cooperation and collaboration, already exists in many branches. On the other hand, the recommended criteria as to who can have his own representation in Bulgaria practically means the possible operation of only two foreign trade organizations from Macedonia, with a possible expansion to three. It was emphasized in no uncertain terms that the existence of nine such representations is unjustified, as is the case today, especially since some of them conduct minimal business transactions and barely cover their operating expenses.

However, there are such organizations that contribute significantly to the development of economic cooperation between the two countries, and are in the process of expanding their arrangements more extensively. Judging by everything, some will be forced to relinquish their representations.

Along with the aforenoted, the following arguments have been brought up:

In economic exchanges between the SFRY and the People's Republic of Bulgaria for 1978, the economy of the Socialist Republic of Macedonia had a 19.9 percent participation, whereas in 1979, participation was 26.2 percent. Those years, the total trade between the Socialist Republic of Macedonia and this neighboring country amounted to $53.5 million. During the first 9 months of 1980 alone, $46.6 million worth of trade was effected, which leads to the conclusion that the 1979 trade figure will be considerably exceeded. In addition to this, during the next 5 years, Tehnometal-Makedonija of Skopje signed an agreement with Rudmetal of Sofia for cooperation in the area of ferrous and nonferrous metallurgy and the nonmetals industry. The basic value of this agreement is $120 million anaually. The OHIS Chemical Industry of Skopje is carrying through trade of about $20 million annually with Bulgarian partners, and the agreement on long-term cooperation signed in September 1980 promises much more extensive business transactions. In this branch of industry, several more BOALs are on the way to conclude more extensive business with Bulgarian partners. This also includes the linking of 110-volt electrical systems.

The general conclusion is that the persons and organizations involved in economic activities must be afforded more latitude for communication, which in itself alone, will bring about greater and better developed economic cooperation between the two countries.

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MINISTER OF INDUSTRY, MINES REPORTS ON 1980 RESULTS, 1981 PLAN

Tirana BASHKIMI in Albanian 17 Dec 80 pp 1,2

[Interview with Minister of Industry and Mines Prokop Murra by an editor of Bashkimi: "Achievements Constitute a Sure Base for Marching Always Forward"]

[Text] Question: Comrade Minister, what are the achievements with which the workers of the industry and mining sectors are ending the last year of the five-year plan?

Answer: As the last year of the Sixth Five-Year Plan, 1980 was characterized in the industry and mining sectors by increased efforts and struggle to achieve further success and to fulfill the plan tasks in the fields of production and investments and in the other technical, economic and financial indicators.

Under the leadership of the party, the industry and mining workers, delving more and more deeply into the materials of the Seventh and Eighth Plenums of the Central Committee of the Albanian Workers Party and, especially, the programmatic speech of Comrade Enver at the Eighth Plenum of the Party Central Committee, increased mobilization, overcame many difficulties and obstacles and gave to the economy 770,000,000 leks of industrial products more than last year; they built, with their own forces, a number of new projects, lines and units and further improved the economic and financial indicators and further encouraged achievements in the field of expanding the technical and scientific revolution.

In comparison with 1979, in regard to some main products, in 1980, the economy received eight percent more chrome, 10 percent more coal, 13.5 percent more blister copper, 20 percent more electric energy and 15 percent more products of the machine industry and so forth.

In the geological sector, too, during this year, workers worked determinedly to prospect for and to discover new reserves and rich areas of petroleum, gas, coal, chrome and copper and other new minerals in which results were achieved. This year, results were also achieved in the reduction of production expenditures, in increasing the net revenues of the enterprises and in better organizing work. Thus, the production cost will be reduced by 80,000,000 leks over the plan task; while, the net revenues of the enterprises will be exceeded by 23,000,000 leks.

A better work was done in the area of setting work norms by further increasing participation in work with norms and by expanding technical norming by 72 percent.

During 1980, a number of new projects, lines and units were built and put into operation; they were designed and produced by our skilled workers and talented specialists who, imbued with the teachings of the party, are involving themselves more and more in the technical and scientific revolution and achieving new successes.

Thus, we constructed and assembled and commissioned the plant for the production of olivenite bricks at the "Steel of the Party" metallurgical combine; this plant was sabotaged by the Chinese revisionists, but built with our forces by our working class and specialists who, implementing the recommendations of the party, courageously tackled the production of machinery. The following were put into operation: the copper enrichment plant in Rehove; the plant for the pulverization of phosphate fertilizer; the plant for the production of carboxymethyl cellulose (KMC), a very necessary chemical product for the petroleum and textile industries, which used to be imported in the past; the petroleum main for the export of fuel; the lines for the production of aluminum sulphate; the oil regenerator; the production of narcosis, sulphur and sodium; and the plant for the purification of gas from sulphur; and so forth.

The construction of the copper sheet iron plant in Kukes and of the electric furnace at the pyrometallurgy plant in Lac, the plant for aluminum dinaphthenate, the plant for the production of washing powders and of many other lines has been completed; they will be put into operation very soon; they were designed with our own forces and the necessary machines for them were produced by our machine industry.

During 1980, the production of coke for the non-ferrous metallurgy was also successfully achieved by our workers, exclusively with the coal of the country, thus, reducing imports.

The working collectives of the following projects have distinguished themselves in the great work to fulfill the tasks: the petroleum extraction enterprises in Marinez and Stalin City, the wire production plant in Shkoder, the "Light of the Party" hydroelectric power station, the Bistrice hydroelectric power station, the Librazhd wood processing enterprise, the plant for instruments in Korce, the abrasive instruments plant, the pig iron and coke plant, the "Steel of the Party" metallurgical combine, the copper plant in Rubik, the "Gogo Nushi" amonium nitrate plant in Fier and so forth which, not only fulfilled the tasks as a whole, but also have marked a good progress during the three month period.

Question: The Eighth Plenum of the Central Committee of the Albanian Workers Party also assigned a number of important tasks to the industry and mining workers. How is work progressing in this field, and where attention will be concentrated in the future?

Answer: The industry and mining workers, in implementing the directives and continuous recommendations of the party, have worked year after year to further extend their scientific work, thus marking new successes. The designing and construction and the production, completely with our own forces, of a number of projects which have been put into operation in the recent years, or the completion of many important studies in the sectors of petroleum, mining, chemistry and metallurgy and so forth, which deal with the solution of many technical and technological problems and which aim at improving production capacities and the improvement of the quality of the economic and financial indicators and so forth, are the results of this great scientific work which, encouraged and led by the party, is being carried out in the industry and mining sectors just as in all our country.

However, the Eighth Plenum of the Central Committee of the Albanian Workers Party assigned new and more important tasks for the further expansion of the technical and scientific revolution. Our workers acquainted themselves with these materials, extensively analyzed the work done, organized consultations and confrontations and, on the basis of an intensive analysis, determined the tasks assigned to them.

The main directions where the research and scientific work of our sector will be concentrated in the future, as the Eighth Plenum of the Party Central Committee also recommended, are: the solution of the main production problems linked with the best utilization and extension of capacities, with the improvement of technology and of the quality of products and with the problems of mechanization, chemicalization and automation of the work processes and of the improvement of the effectiveness of productivity for every branch of the economy and so forth.

Thus, in the mining sector, workers will work for the best possible utilization and improvement of the extraction technology, for the reduction of losses and of the impoverishment of ores during utilization, for the improvement of enrichment technology, for the application of progressive technology, for the complex utilization of mineral raw materials, and for the improvement of the recovery coefficient and so forth.

In the petroleum sector, studies will be intensified in the field of geology, seismology and geophysics aiming at improving the effectiveness of drillings and at discovering new petroleum and gas reserves; in the broader use of second methods and intensifying methods for the extraction of petroleum; and in the field of the construction of new wells and of setting up the best system of drilling for the extraction of petroleum and for its processing and so forth.

In the sector of metallurgy, chemistry and in the other sectors work will be concentrated on the replacement of raw materials and of imported materials with those of the country and studies will be carried out for their most rational utilization, for improving the level of mechanization and automation, for the improvement of technology in production and for introducing the most advanced technology, aiming at improving the quality of products and at increasing their assortments and, also, at obtaining the best technical and economic indicators possible.

Important tasks are assigned to us in regard to the further perfection of the planning and managing of our study and scientific work; and, for this, a better coordination and cooperation in work is required between the directorates and institutes within the ministry and the research and scientific institutions of the country.

Question: Comrade Minister, can you tell us something about the measures taken and about the preparations of the workers of the industry and mining sectors for a good start in the first year of the Seventh Five-Year Plan?

Answer: The 1980 achievements are a healthy foundation for intensifying the work for 1981, the first year of the Seventh Five-Year Plan which will be built exclusively with our own forces.

In 1981, compared to the 1980 production, considerable results will be scored, first of all, in the energy resources, such as petroleum, gas and coal, in order to satisfy our needs more and more.

At the same time, there are increases in the other products, such as in chrome concentrate, cooper ore, and in the other cooper products; in iron ore and iron concentrate; in the production of coast iron and sheet iron, in the production of fertilizers and insecticides for agriculture; in the production of spare parts, machines and pieces of equipment; in the production of timber and of packaging, newsprint, and writing papers; and in the production of consumer goods, such as television and radio sets, furniture and electrical equipment and so forth.

Along with the increase of production quantities, important tasks are assigned to the workers of the industry and mining sectors in order to improve the quality of products and to increase the range of assortments, to satisfy, better and better, the needs of the economy and to increase exports. Thus, for example, the range of the production of sheet iron, copper wires and abrasive instruments will be increased.

All the other technical, economic and financial indicators, such as labor productivity, the reduction of production expenditures, the reduction of centralized revenues of the state and of the enterprises and so forth, will also have noticeable increases.

The implementation of these tasks requires a greater mobilization by all the working collectives; it requires that the shortcomings observed during 1980, especially, in some enterprises of the petroleum and mining industries and of metallurgy and geology, which did not regularly and completely fulfill the established plan tasks, be eliminated.

A more perfected management and organization of work is required from the apparatuses of the ministry and of the enterprises and even the working brigades, and this should be accompanied by strengthening and strictly respecting scientific and technical discipline and proletarian discipline in work; the establishment of a stricter system of savings is also required in the use of raw materials and materials and in the use of manpower in the best possible manner.

In 1981, too, important tasks are assigned in the field of mechanization and of the training of workers through schools and courses with and without interruption of work.

The successes achieved in the industry and mining sectors and those achieved in all our country prove the correct Marxist-Leninist policy pursued by our party and affirm the inexhaustible resources of our working class and of our people's intelligentsia; they constitute a secure base and a guaranty for always progressing forward toward new victories.

On the basis of these achievements, our workers, in a steel-like unity around the party and guided by the teachings of the party and of Comrade Enver, will further mobilize themselves to fulfill the tasks assigned for the 1981 plan.

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CSO: 2100

STABILITY IN AGRICULTURAL, LIVESTOCK PRODUCTION REPORTED BY MINISTER

Tirana BASHKIMI in Albanian 18 Dec 80 pp 1,2

[Interview with Minister of Agriculture Themie Thomai by the editor of Bashkimi: "The Agricultural Workers Have Assured Stability in the Agricultural and Livestock Production"]

[Text] Question: The year 1980 is the last year of the Sixth Five-Year plan and, as such, it was characterized by the mobilization and determined work of the agricultural workers. Comrade Minister, can you tell us about the main achievements of this year?

Answer: The agricultural workers of our country, mobilized for implementing the tasks of the Seventh Party Congress and the directives of the recent plenums of the Party Central Committee and for successfully ending the last year of the Sixth Five-Year Plan, in the struggle with difficulties, have managed to assure stability in agricultural and livestock production. This year, too, the tasks assigned by the party to guarantee bread production in the country were fulfilled. Results were also achieved in the other indicators, thus, much better supplying the market and industry with agricultural and livestock products.

In 1980 a great amount of work was carried out for the scientific mobilization of the land; the plan for the reclaimation of new lands for cultivation was fulfilled; the irrigation area was increased; and a number of irrigation projects were put into operation. A more careful work was done for the systematization of lands in the plain, hilly and mountainous areas, on the basis of the designs drawn up and so forth. Better work was done in regard to the improvement of the variety structure and of the introduction of seeds with high genetic capacity in large production. A good work has also been done for the improvement of livestock breeding. The agricultural machinists, in the struggle with difficulties, completed the great volume of work on schedule, consuming less fuel and spare parts.

A good shift was made in the complex development of the forestry economy in which, as a result of the most correct understanding and evaluation of this great national wealth, the products for export were doubled in comparison with the previous year.

During this year, many production units in the country obtained great results. On 1,280 hectares of land, the Maliq agricultural cooperative obtained 51 quintals of wheat per hectare and the Plase, Cakran, Pojan and Frakull agricultural cooperatives obtained more than 43 quintals per hectare. In corn production, the Vrine agricultural cooperative obtained 70 quintals of corn per hectare in all the area sown with corn. In cotton production, the Lapardha and Gorican agricultural cooperatives in Berat District overfulfilled the plan tasks. Good results were achieved by the poultry raising enterprises in Tirana and Elbasan which exceeded the plan tasks. Such results also were achieved for the other production indicators in agriculture, fruit growing and livestock.

Despite achievements, shortfalls in plan fulfillments were observed in some indicators. This fact assigns to all the agricultural workers the task of knowing the shortcomings and weaknesses of this year, assuring the best mobilization and the most scientific work organization in order to further intensify agricultural and livestock production in the future.

Question: The Eighth Plenum of the Party Central Committee assigned great tasks for an extensive study of the problems concerning the intensive development of agriculture. Can you tell us how work is being carried out to implement these tasks?

Answer: The material of the Eighth Plenum of the Party Central Committee and the programmatic speech of Comrade Enver Hoxha delivered at this plenum are another very great aid in extending the technical and scientific revolution in agriculture. A great amount of work was done with these important documents so that they will be known by all the agricultural workers. As a result, starting with the work brigade and sector and reaching up to the unit level, a number of tasks were set both in the field of scientific research work and in the field of the measures for applying science and advanced experience on a broad scale in production.

Implementing the recommendations of the party for expanding the technical and scientific revolution in agriculture, which is the basic branch of the economy, the workers and specialists of the agricultural units and those of the scientific institutions have completed a number of studies aimed at placing agriculture on scientific bases and assuring a continuous increase of the agricultural and livestock production by introducing in production many achievements obtained in the fields of sciences and of advanced experience.

The study for the centralization and specialization of agricultural production, in accordance with the experience of the higher type agricultural cooperative in Plase, has been completed and is being put into application in all the agricultural units of the country; and new types and varieties of wheat, corn, cotton and tobacco and so forth have been selected and created; they have been studied and are being used in large production. During this year, other important studies were made for designing new land reclamation projects and agricultural complexes and so forth and the work for their implementation will begin at the beginning of 1981.

Also, important studies have been completed or are being completed for improving the production of fodder crops and fodder processing, for expanding the complexes of the forestry economy, for the complex mechanization of some field crops, and for the protection of crops and livestock from diseases and pests. Along with these, the processing technology of various silage fodders has been improved, especially by using corn and sorghum in the waxy stage which will be a great influence in the invigoration of the necessary fodder base for the entire livestock. We have begun to implement these studies which will influence the increase of the overall agricultural production.

However, as it was stressed at the Eighth Plenum of the Party Central Committee, one of the main directions of the scientific study work in agriculture is the preservation, development and enrichment of the land. In this field, a number of studies dealing with the increase of productivity of the land have been carried out and will be carried out. For this, it is important that work be organized in order that all the complex of the measures for the scientific mobilization of the land will be in the center of the daily attention of the agricultural workers. The work for the systematization of lands and for their protection from erosion and from the various mistreatments, together with the more complete measures for a regular system of irrigation, both during draining and irrigation, especially, require a greater attention. In addition, the work which should be done for the collection and utilization of organic fertilizer, as the main element for improving land productivity, remains a great work problem. Important tasks are assigned to workers of the enterprises which have lands in the process of desalination and to the scientific research institutions for applying more rapid scientific methods so as to improve the production capacity of these lands.

Also, important tasks arise in regard to the selection and introduction in large production of the seeds and breeds with high genetic capacity. To assure the planned rates of agricultural production, it is essential to work with greater determination so as to intensify the scientific research work in all the links, establishing them in accordance with the concrete conditions of the areas of the country. This sets forth before the agricultural workers, from the production units and scientific institutions up to the Ministry of Agriculture, tasks for a stronger discipline in production and for their use and distribution with great effectiveness. Also, more extensive scientific studies are required in the fruit tree growing, forestry, and mechanization areas and in the protection of crops and animals from diseases and pests.

The scientific studies in agriculture cannot be separated from the problems which deal with the improvement of the effectiveness of the technical and material base which has been put at the disposal of agriculture. This gives rise to the task for a better cooperation between the branches of production, of the plan and of finance for the effective management of the economy so that a strict financial discipline will be established in each investment and so that the effectiveness of chemical fertilizers, of means of mechanization, of workers and of other investments will be improved. All these tasks and other tasks, assigned by the Eighth Plenum of the Party Central Committee for the further extension of the technical and scientific work, require deeper understanding and broader cooperation and coordination of work from the enterprises, agricultural cooperatives, scientific institutions and up to the directorates of the Ministry of Agriculture.

Question: To fulfill the 1981 tasks, of particular importance also is the adoption of measures for a good beginning to work in the first year of the Seventh Five-Year

Plan, Comrade Minister, what preparations have been made in this direction and where will attention be concentrated?

Answer: The work for 1981 in the agricultural sector began a long time ago. The sowing of wheat has been carried out on more than 85 percent of the planned area and now the remaining hectares are being sown. Despite weather difficulties, the sowing has been carried out with good quality. Now, with the completion of the sowing of this main crop, in order to assure the bread grain plan for 1981, it is necessary to work with great scientific discipline in order to guarantee the total number of crops per hectare, the invigoration of the crops sown through the comprehensive measures for draining, additional fertilizing and the rapid replacement of gaps and so forth. In this regard, it is necessary to carry out tests everywhere and, on the basis of the knowledge of the situation, to determine more complete and more effective measures.

Important tasks are assigned to the agricultural workers in order to prepare themselves, in the best way possible, for the spring sowing campaign so that the sowing will be carried out on schedule and with good quality. For this, a number of measures will be adopted and implemented for the draining of lands, for plowing and for the collection and handling of organic fertilizer, keeping in readiness the mechanized means and all the work animals.

In regard to the problems of livestock, in addition to the measures that have been taken for their wintering, the main task for 1981 remains the assurance of the fodder base in a continuing manner. Every agricultural cooperative and enterprise will establish concrete tasks so that the agrotechnology appropriate for the planned yields for each plot of land will be applied.

In regard to fruit trees, despite the work being done for the improvement of the conditions of fruit tree groves, the feeling of responsibility will be further increased so that services in the fruit growing areas will be intensified during the entire period of vegetation, from sowing to harvesting and preservation of the yields.

With the completion of 1980, the agricultural workers will analyze the achievements of the economic and financial indicators with a critical eye and, on the basis of this, will establish the measures to better fulfill the tasks of the first year of the Seventh Five-Year Plan.

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CSO: 2100

DEVELOPMENT IN COMMUNICATIONS SECTOR DISCUSSED BY MINISTER

Tirana BASHKIMI in Albanian 20 Dec 80 pp 1,2

[Interview with Minister of Communications Luan Babameto by the editor of BASHKIMI: "Progressive Experience--A Great Reserve for Fulfilling the Tasks of the Coming Year and of the Entire New Five-Year Plan"]

[Text] Question: Comrade Minister, what are the results with which the communications workers are coming to the last year of the Sixth Five-Year Plan?

Answer: As the entire economy of our country, the transportation sectors, too, despite the difficulties and obstacles dictated by the imperialist and revisionist blockade and encirclement, are characterized by high and firm rates of increases. In regard to 1980, the last year of the Sixth Five-Year Plan, the tasks for the circulation of goods by railway transportation increased by 10.3 percent and those for automobile transportation, by 8.8 percent and the tasks in the domestic sea transportation increased by 24.1 percent, in comparison with the previous year; while, hard currency revenues in sea transportation and foreign automobile transportation sectors increased by 12.5 percent. And, the passengers' service in the urban and interurban transportation sectors has been increased and improved, and the industrial production has better met the needs for the invigoration of the transportation sector with means produced by our own forces and through the production and repair of spare parts for all the types of means of transportation.

These results are closely linked with the improvement of the effectiveness of expenditures. The cost is reduced by 10 million leks over the plan and the net revenue of the enterprise from the main activity is exceeded by about 10 million leks more than planned.

Efforts have been made by the transport workers to satisfy, on schedule, the needs of the economy for the circulation of goods.

As a five-year plan, the volume of work for the three types of transportation is fulfilled by 101 percent, or 15 days ahead of schedule. Compared to 1975, in 1980, the hard currency revenues from the foreign transportation sector increased by two times; the passengers' transportation increased by 16.5 percent; the task of the cost reduction was exceeded by 21,000,000 leks; and the net revenue from the main activity was exceeded by 45,000,000 leks. The further intensification of the railway transportation through the further extension of lines and the better utilization of the existing network has been a characteristic of this five-year plan, thus, meeting the movements of the great quantities of our mineral resources, of the export goods and of the products of the various branches of the economy, In 1980, a volume of work of 55.5 percent more than in 1975 was carried out in this type of transportation, making possible to transport now, with its own resources, 36.5 percent of the totality of goods of the economy, compared to 31.8 percent that was transported in 1975.

In the automobile transportation of goods, the attention of our workers was concentrated on the extension of work with trailers up to the remote and difficult areas. As a result, the volume of work with trailers, as a five-year plan, has been fulfilled by 108.5 percent, or with an increase of 51 percent compared to 1975.

Question: The Eighth Plenum of the Central Committee of the Albanian Workers Party also assigned important tasks to the communications workers. Can you, please, tell us how work has started for implementing them, and what will be done in the future?

Answer: In the continuous development and invigoration of the transportation sectors and the better and better fulfillment of the tasks for the economy, an important role has also been played by the extension of scientific research work.

A number of study themes have been undertaken by our workers, especially, during the past 2 years; they were successfully treated and are being implemented, becoming an effective support for solving the important problems concerning the regular implementation of the present and future tasks.

Studies and scientific research work have helped, first of all, to improve the effectiveness of transportation. To intensify railway transportation service, to eliminate criss-crosses in the distribution of goods and to prevent duplications and irrational movements of the means of transportation. Studies in the field of improving production capacities have played an important role in increasing the load of trains and in designing and producing, with our own forces, freight cars with a capacity of 25 to 50 tons and trailers of over 5 to 22 tons, and in the conversion of normal vehicles into 14-to 15-ton vehicles, in designing and producing 500-ton vessels, self unloading 800-ton barges and 5-ton harbor electric cranes and so forth. The production of spare parts has been increased and, especially, important steps have been taken for regenerating them on technological bases. Also, different technical problems, dictated by the difficulties of the imperialist and revisionist blockade and encirclement, have been solved with our own forces. The increase of the volume of work with trailers, at much higher rates than with trucks, also is the result of the continuing studies. A number of studies have been achieved in regard to the perfection of planning, management and work organization in the field of socialist relationships in production and in the direction of improving the effectiveness of expenditures through the improvement of norms for the consumption of materials, tires and fuel and so forth.

However, the Eighth Plenum of the Central Committee of the Albanian Workers Party and Comrade Enver Hoxha's speech at this plenum opened even greater horizons to us.

They constitute for us, too, a great program for our daily and future work, so that the studies and scientific research work will be converted into a general work method for solving and anticipating any problem and, especially, for becoming a powerful support for fulfilling and overfulfilling the plan tasks.

The program for scientific research work, which we have drafted, treats important technical and economic problems connected with the great tasks assigned to us by the 1981-1985 five-year plan. Among the main problems, there are those of the most extended studies for a scientific planning in all the movements of goods so that the needs of the economy will be satisfied on schedule, starting with the best distribution of goods, the most complete harmony between the transportation capacity and the needs, the assurance of regularity and the reduction of the impact of seasons in transportation and the scientific management of work and so forth.

A very important problem for us is the study and setting of measures for invigorating and intensifying, on a priority basis, the railway transportation sector in comparison with the other types of transportation, because of the great profitability and effectiveness of this type of transportation in our country. This will be achieved not only through the further development of the railway network during this five-year plan, but also, first of all, through the more intensified exploitation of the existing railway lines and means, minimizing the movements of the other means of transportation parallel with the railway. To achieve this, studies have been made and are being made, and measures are being taken to increase the effectiveness of movement capability of railroads to increase the number and the load of trains, to invigorate railway stations and mechanize the work processes and so forth. In regard to this, great tasks are set for the other sectors of the economy which must take comprehensive measures in order to adapt themselves much better to this type of transportation.

As a result of the priority development of railway transportation, measures will be taken to regionalize and further limit the extent of automobile transportation.

Important tasks are assigned to us so as to further increase the foreign transportation sector. The other types of domestic transportation in the economy will be utilized in a greater scale during this five-year plan.

The studies for improving the technical and economic indicators for the utilization of transportation means also hold an important place in our work. Of importance here is not only the improvement of the relation of time between the movement of the means of transportation and the loading and unloading process through the improvement of the organization and mechanization of work in the loading and unloading of the means of transportation in the various sectors of the economy, the railway stations and seaports. A broad scientific research work has been scheduled from the center to the base for the further production of the means of transportation for the improvement of the coefficient of their use, for the improvement of the effectiveness of expenditures, for the preservation and good treatment of goods, and for the saving of materials, fuel, tires and so forth. The assimilation of progressive influence will also occupy an important position in study and scientific work. It will be expanded in a broad scale in the good experience gained by our drivers, machine operators, seamen and workers of the repair and maintenance centers for our communications means, who stand in the vanguard of our working collectives. All the scientific research work in our sectors is characterized by the mass participation of the workers of our enterprises in them. That the scientific research work must be even better organised by the enterprise directors under the leadership of the basic party organizations and artisan, conservative and liberal concepts, in regard to this, as well as the tendencies to daily routine work, must be combatted. Important measures will also be taken for the training and preparation of the transportation workers.

In raising scientific research work to a qualitative level, some organizational problems also arise before us in the field of the organization and invigoration of scientific organisms in the centers and at the base in accordance with the great tasks assigned to us.

Special attention will be given to propaganda and information so as to monitor the driver, the machine operator and the sailor and so forth wherever he will be in activity in the remote work front, so that he will live as closely as possible with the tasks, with the achievements of the collective and of his comrades, with the advanced results in the transportation sectors and with the innovations of science and so forth.

Question: Comrade Minister, what efforts have been made and what efforts will be made to start the first year of the Seventh Five-Year Plan in the best way possible?

Answer: Along with the mobilizing efforts to end 1980 and the Sixth Five-Year Plan with good results, measures are being taken so as to begin the first year of the new five-year plan more prepared for the regular fulfillment of the tasks. Under the guidance of the basic party organizations, a comprehensive, ideological and political work is being carried out in order to understand, in a revolutionary manner, the special requirements of the coming five-year plan, which fully relies on our own forces.

Measures have been taken to carry out a real and mobilizing plan in accordance with the needs of the economy and to better program and organize work in the transport enterprises. Technical and organizational measures are being taken to improve the indicators for the utilization of means of transportation and efforts are being made to assure the necessary base for the material and technical supply.

Cooperation is being carried out with the various sectors of the economy for the coordination of work in the organization of work fronts, especially, during the first three month period. Work is being done, especially, to improve the management and organization of work for strengthening the responsibility and contractual discipline in the implementation of the tasks in the transportation sector. Concrete measures are being adopted to invigorate the railway transportation sector, to commission the new railway line up to Lezhe and to strengthen the work organization and discipline in the railway lines and stations in order to successfully meet the great tasks assigned to this type of transportation.

We are convinced that all the transport workers, under the party leadership, will successfully start the great work for 1981.

Achievement of advanced results, as a great reserve, will be the main goal in fulfilling the tasks by all our workers, thus, responding with a greater mobilization in implementing the party decisions and directives and achieving all the objectives which we have taken upon us in the 1981 plan and the entire Seventh Five-Year Plan.

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SLOVAK ECONOMIC DEVELOPMENT IN 1980 SUMMARIZED

Prague HOSPODARSKE NOVINY in Slovak 5 Dec 80 p 2

[Article by Ondrej Kvaka, Deputy Manager of the Economic Department, CPSL Central Committee: "Economic Development of the SSR"]

[Text] From an analysis of the current and projected results in the fulfillment of the tasks in 1980 and during the entire Sixth Five-Year Plan it follows that despite a certain deterioration in economic and other domestic and external conditions, our economy continues to develop and the economic potential of the economy of the SSR is growing. As indisputable success of the implementation of the Sixth Five-Year Plan we regard, for example, the growth of national revenue in Slovakia by approximately 25 percent, of industrial production by more than 33 percent, of agricultural production by almost 10 percent, and of construction production by 32 percent. During this period structural changes in our industry continued, with the engineering sector developing on a priority basis at a more than 50-percent increase in production.

The industry of the SSR earned a greater share in the fulfillment of our exports, where volume increased more than 41 percent, and in exports to nonsocialist states almost 40 percent.

The share of the SSR economy in the production of societywide resources was up from 28.6 percent in 1975 to 30.1 percent in 1980.

The progress in the fulfillment of the plan was favorably affected in 1980 by the fundamental measures adopted to provide a smooth supply of fuels and electric power for our economy, and to overcome problems in our agriculture stemming from an inferior harvest in 1979.

This enabled us to increase production in every branch. The volume of industrial production was raised 4.7 percent this year over 1979, and in agriculture by 6.7 percent as compared with the average for the four years of the five-year plan. We achieved this development while reducing demands for materials by 0.6 percent.

We have not been equally successful in meeting the tasks of the plan in all branches. Workers of the Duslo enterprise in Sala, of the J. Dimitrov Chemical Works in Bratislava, of Orava Ferroalloys in Mokrad, of the Merina in Trencin and of other enterprises achieved good results in the fulfillment of their planned tasks. On the other hand, among the 47 enterprises that failed to meet their planned tasks for the 10 months of 1980 the most delinquent were Tesla of Orava, Bukoza in Vranov, the Slovak Power Engineering Works in Tlmace, the Bratislava Electrotechnical Plants, and others.

Some important projects among selected production capacities planned for completion in 1980 will not be introduced into operation, such as the remodeled mill in the V. I. Lenin Cotton Plants in Ruzomberok, the completion of the construction of the Matador plant (second stage) in Bratislava and others. Over the 9 months we achieved no more than 42.4 percent of the planned annual increment in capital assets.

We can offer some positive examples of capacities recently introduced into operations, such as the Sverma Iron Works (tube drawing) in Podbrezova, the construction of V-1 nuclear power plant in Jaslovske Bohunice, the general overhaul of the blast furnace in the East Slovakia Iron Works in Kosice, and others.

Proceeding from the results obtained thus far, we must pay more attention to, and make higher demands on labor in order to better fulfill the capital investment tasks in vital production construction, to improve the work in housing construction, to get ahead with production in new capacities, and to achieve better cooperation particularly in machine engineering as well as to gradually resolve problems in supplier-consumer relations.

An operational state plan for the economic development in 1981 is now being drafted by central planning organizations. The work on its draft is demanding; the plan must be in agreement with the proposal for governmental directives for the Seventh Five-Year Plan. Therefore, the operational state plan for 1981 must markedly advance the proposals submitted thus far by central organizations, particularly in demands on social resources and in qualitative relations. As compared with the proposal by central organizations, we must increase deliveries of industrial goods in order to cover consumer needs, to improve the balance in relation to foreign trade, to increase the production of profits and reduce demands for investments and launching of construction projects.

During the next period, prior to the approval of the draft for the operational state plan for 1981, we must define in detail on every management level the measures for the preparation and implementation of differentiated specifications of fundamentally more demanding tasks in the plan.

We must enforce control more thoroughly, expand its cognitive and decisionmaking function, and observe how the state and economic organization approach the specification of party decisions and how they create preconditions for their fulfillment. It is necessary to promote and enforce societywide interests, upgrade discipline, introduce an atmosphere of critical exactness in every place of work, and to fight against shortcomings and complacency.

Since the adoption of the Set of Measures in January of 1980 extensive aktivs and conferences have been organized along the lines of the party, state, economic and trade union organs in krajs, okreses, ministries, VHJ [economic production units] and enterprises in order to explain and clarify its principles. The agreement with the adopted measures and the awareness that they must unavoidably be implemented clearly predominate among the broad aktiv of party and economic workers.

Nevertheless, we cannot be fully satisfied with the situation of familiarity with the new measures and with the level to which they have been mastered on the economic level in the center as well as in enterprises.

The decision by the Presidium of the CPSL Central Committee in November stated that "the economic production units and enterprises are making a gradual transition to the implementation of the principles contained in the Set of Measures, but that process has been delayed and a great many problems have arisen. The process of issuing appropriate directives and specific measures has demonstrated a time lag, and the set of Measures has not been adequately adjusted to specific conditions in individual branches, VHJ and enterprises. As our party organs inform us, the central planning organizations of economic management as well as appropriate branch ministries and the middle echelon of management organizations share blame for those shortcomings."

Certain other factors, such as indecisiveness and inexcusable waiting for instructions from a higher echelon of management, inadequate application of implementation planning, tardiness in upgrading quality in the process of standardization and in exploitation of all kinds of standards, have dulled the impact of the Set of Measures.

One cannot mention shortcomings alone. We can offer many positive examples where the party organs and economic management have very responsibly opted for fundamental measures in this direction. Those VHJ and enterprises that have tested the comprehensive experiments got ahead. During the test period they began thinking and acting according to the new circumstances. Nevertheless, we cannot ignore numerous organizations that have not tested the comprehensive experiment, yet they applied in the most advantageous fashion the experience gained by the experimenting VHJ and enterprises. The correct way and method is to learn from the experience of others. Much has been said about central planning which we allegedly are not able to apply because it lacks the required regulations. That allegation contradicts the good example of Slovnaft in Bratislava where diligent preparations for the fulfillment of tasks planned for 1981 and for the Seventh Five-Year Plan are under way.

This is unambiguous proof that lasting good results may be obtained wherever good mass political work is combined with responsibility, discipline and with the search for new personal contributions toward the solution of problems.

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SSR DEPUTY PREMIER MARTINKA COMMENTS ON 1981 PLAN

Bratislava PRAVDA in Slovak 18 Dec 80 p 2

[Speech by K. Martinka, SSR deputy premier and chairman of Slovak Planning Commission, at the meeting of NSR [Slovak National Council]: "Plan for 1981--A Qualitatively New Stage of Development of Our Economy"]

[Text] This NSR meeting is of special importance for further development of our national economy as well as of our entire socialist society. We begin a new stage in the planned development. We are about to enter the period of the Seventh Five-Year Plan. It is a new period not only in terms of time, but also a qualitatively new period in the development of our economy because--as was expounded in the report submitted to the 18th Plenary Session of the CPCZ Central Committee-"in this period we must lay more emphasis on the intensive factors in economic growth and particularly in technological progress. This is the only possible alternative and necessity because we do not intend either to stagnate in our development or to live at the expense of future generations."

The expected results in the fulfillment of the 1980 plan are as follows: in comparison with the previous year, the social product in Slovakia is to increase by 3.8 percent, industrial production by 4.5 percent, agricultural production by more than 5 percent and the volume of construction work by 1.5 percent.

The plan targets are met evenly and even surpassed by the enterprises of the power sector, chemical, gas and pharmaceutical industries, nonferrous metallurgy and also by some organizations of other sectors. The value of plant production will exceed the level of the last 4 years, while grain imports and rationalization of fodder consumption have enabled us to increase the number of domestic animals and the volume of meat and milk production for the domestic market according to the plan. The increased demand for transportation service was met by more effective utilization of trucks by the CSAD [Czechoslovak State Automobile Transportation] enterprises.

Structural changes continue to be carried out particularly in industry in which engineering production accounts for more than one-third of its production increase. Due to the more effective processing of petrochemical products, our raw materials base is expanded. Virtually the entire increase in production of electric energy will be achieved by the utilization of nonconventional sources. We shall make progress--though not on the planned scale--in the comprehensive processing of wood substance.

These structural changes and measures designed to reduce consumption will contribute also to the more economical use of energy and raw and industrial materials. In this way, we shall acquire values in the amount of Kcs 1.3 billion in industry and building sector. The labor productivity increase accounts for more than 73 percent of the increase in the value of adjusted output (net production) in these sectors. These newly produced material resources will make it possible for us to increase by 4 percent the deliveries of consumer goods to the domestic market. We shall thus be able not only to meet the increased demand for these goods, but also to partly replenish the inventories in retail trade. Individual monetary incomes will increase by approximately 5 percent. This is primarily due to social measures enacted in 1979.

We shall spend more than Kcs 7.5 billion on the improvement of housing in 1980. Although, due to incorrect practice, crash work is resorted to these days in the effort to meet the plan targets, we expect more than 47,000 apartments to be completed this year, which will be the biggest number during the entire period of this five-year plan.

Our Strong and Weaker Points

The years of the Sixth Five-Year Plan are the period in which we shall make more effective use of intensive factors in economic development. In comparison with the preceding five-year period, the rate of reduction of material consumption will be more than doubled, and the national income per capita will increase by approximately 18 percent. The 1980 real incomes will exceed by approximately 18 percent the level at the beginning of the five-year plan, while the funds earmarked for social consumption will increase by approximately 23 percent. During this five-year period, 232,000 apartments will be completed and an additional 800,000 inhabitants will get drinking water from the public water supply system.

Experiences of all of us agree that the results achieved are not favorable in all sectors and that all tasks, intentions and resolutions will not be fulfilled. This in the first place applies to capital investment and particularly to the compliance. with the qualitative indicators such as completion of construction projects on schedule and reduction of scope of unfinished projects. We have encountered serious problems also due to the different results achieved in plant production. While we came close to meeting the plan targets set for grain production, the potato harvest is one-third below the plan and the smaller sugar beet crop will result in a deficit of 20,000 tons of sugar which will be unfavorably reflected particularly in our exports. Likewise, we have failed in meeting the targets set for increasing efficiency.

What Should We Concentrate On?

The government effort spelled out in the 1981 plan focuses on the fact that the smaller increases in raw and industrial materials' supply, fuels, labor force, investment funds and imports must be compensated for by more effective utilization of all these inputs and of the entire production and economic potential in order to maintain the dynamic production of values and gradual restoration of balance in individual areas of the reproduction process. On this basis, we try:

1. to further improve the level of satisfaction of material and cultural needs of the increasing population of Slovakia;

2. to gradually reduce the use of foreign economic resources in order to eventually eliminate the discrepancy between exports and imports, and thus to minimize the need of credits;

3. to maintain this year's scope of investments, while increasing the ultimate effect of capital investment at the same time.

4. to promote generally more rapid development of the economy in Slovakia and thus also in the entire state, to increase its share in the solution of needs of unified Czechoslovak economy and to eliminate the still existing differences in the satisfaction of needs;

5. to practically apply the tools listed in the "Set of Measures" in order to underline the dependence of financial management on the production of enterprises' own funds and on the need of their effective use in financing of enterprises' needs.

In other words, the efficiency of our economy and of everyone of us must be substantially increased.

To achieve this goal, it is objectively imperative to develop the national economy in the ways whose common denominator, common basis is:

--to make general and more effective use of scientific and technological achievements an integral and decisive part of all sections of plans of development;

--to alleviate the tension by purposeful interventions and to restore the balance in all areas of the reproduction process--namely in the continuity and rhythm of the production process, balance on the domestic market, foreign economic relations, but also in the process of capital investment.

More Effective Utilization of Raw Materials

The most important way is the substantially better utilization of raw and industrial materials. The plan specifies it as a 0.8 percent reduction of material consumption in 1981 in comparison with 1980. Accordingly, net production--as measured by the adjusted value added--is to increase 1.5 times more than the total gross production volume. This is the most demanding task which is backed up generally and comprehensively in the plan by making significant structural changes in the industrial production increase, varying the rate of development of individual products, increasing production on the basis of licenses, and rationalizing consumption, particularly of fuels, metals, crude oil products and so on.

In the planned production increase, the weight of material- and energy-intensive production is reduced, such as chemical industry, nonferrous metallurgy and other sectors, while priority is given to the development of sectors using materials more efficiently, and particularly of those employing domestic raw materials. Almost half of the entire industrial production increase is to be accomplished by the engineering industry which is to achieve a Kcs 2.75 billion production increase--6.3 percent more than in 1980. The electrical engineering industry specifically is to increase production by 8.3 percent. The woodworking industry is to double its share in the production increase, while the woodpulp industry is to increase its production by 6.5 percent. Light industry will maintain its considerable importance. These three sectors will account for almost 75 percent of the industrial production increase in Slovakia.

The enterprises supervised by the SSR Ministry of Industry face qualitatively new and more complex tasks. Their essence lies in the more comprehensive and more effective processing of wood substance particularly in more intensive production utilizing the capacities which were recently put into operation, or are being put into operation now, such as woodpulp-processing plants in Vranov, Zilina and Ruzomberok, Smrecina in Polomka, furniture factory in Pukanec and other timber-processing combines which are of key importance for production of boards.

In the chemical industry, special attention must be paid to the starts on new capacities for production of polypropylene silk, polypropylene fabrics and polypropylene cables at CHZJD [Juraj Dimitrov Chemical Plants] in Bratislava, to more effective utilization of those raw materials whose processing requires a great deal of energy such as methanol imported from the Soviet Union, petrochemical semifinished products, as well as to the just started manufacture of steel-cable conveyor belts at Puchov.

Although the production of electric energy will not increase in Slovakia, its structure will change when the nuclear power plant at Jaslovske Bohunice, successfully operating on an experimental basis now, will produce as much as 5 billion kW next year which will save 6 million tons of brown coal. At the same time, the production of electricity on the basis of heating oils at Vojany will be reduced. The 330 MW output increase from the Cierny Vah repumping hydroelectric power plant should contribute to the smooth working of the electric supply system.

Coal mining also faces very urgent tasks. The Slovak Coal mines account for 10 percent of total production of graded brown coal which constitutes the most serious bottleneck, and literally every ton of coal is therefore very important, particularly for the smooth flow of supplies to the population.

The situation in the sources of fuels and increasing costs of obtaining them either from domestic deposits or from imports confronts our entire society with the categorical demand of using them most economically. The government therefore specified the tasks for individual sectors and krajs which must save almost half a million tons of standard fuel in the enterprises supervised by the SSR Government during the next year alone.

We have set ourselves extraordinarily demanding tasks in the overall utilization of raw materials and rationalization of energy consumption. From each Kcs 100 worth of raw and industrial materials we are to create the value of Kcs 152.8 as compared with Kcs 150.5 produced last year, and increase production virtually without any increase in energy consumption. We must realize that this directive--specified and expounded--must be complied with unconditionally. Only in this way can we maintain the high growth rate of national income which determines not only how we will live today, but also what conditions we will create for tomorrow.

Labor Productivity Increase

The second key factor in establishing overall national economic links is the greater role of labor productivity increase and increasing production and its efficiency. We have set ourselves the task of increasing net labor productivity (in terms of adjusted value added) by 3.4 percent so as to account for 88 percent of the increase in 1981, in comparison with 73 percent in 1980. In some industrial sectors and also in the building industry, the labor productivity increase will be the only source of production increase, namely without an increase in the labor force. It will be necessary to mobilize more consistently such an important source as the machine-to-man ratio which will increase approximately 8 percent per worker, that is two or three times more rapidly than labor productivity.

The plan provides for the average 1.7 percent increase in average earnings and allocates special wage funds for the elimination of lower earnings in some specifically listed sectors such as food industry, light industry, state farms, forestry and water economy, and others.

These measures adopted for 1981 alone also make it possible for those enterprises which will include further reduction of their labor force in their economic plans, that is by the end of February, to use the wage funds thus saved for further increasing the average earnings of their workers.

Another factor which must significantly promote the overall effect of the reproduction process is the more effective utilization of production--that is both fixed and circulating--assets. During the next year, general conditions must be created for achieving the planned capacities through fuller utilization of the assets put into operation in recent years and also on the asset which are being put into operation now.

Tasks of Agricultural Production

The emphasis in next year's plan is on more intensive agricultural production in order to move closer to self-sufficiency in production of food, and to gradually solve the long-term problems persisting in the investment process.

The means of the plan specifically focus on increasing the fertility of soil. They provide for completion of draining on 16,400 hectares and of irrigation on 4,900 hectares, and for the start of reclaiming of an additional 26,000 hectares.

The demanding tasks in plant production are backed by a further increase in deliveries of industrial fertilizers to the total of 639,000 tons. The animal production increase is to be supported by adequate fodder supply, including a reserve until the new crop is harvested. However, due to this year's poorer harvest, a total of 300,000 tons of fodder will have to be imported. Due to these circumstances, it is imperative to reduce the standard consumption of grain fodder per kilogram of live weight increase in feeding of cattle, but primarily of pigs.

Rendering the Investment Process More Effective

By purposeful interventions in the plan, we try to make a decisive step toward the solution of the long-term problem--the entire investment process and its implementation. Taking into consideration the overall possibilities of using the national income in the domestic economy and the capacity potential of the building sector, the plan maintains construction work on the 1980 scale in order to reduce the excessive scope of unfinished projects by approximately Kcs 10 billion, to shorten the recovery period of investment funds and to render them more effective. The plan anticipates a considerable reduction of construction starts to almost 50 percent of the average during the years of the Sixth Five-Year Plan.

It is imperative that we put into operation without delay important production capacities such as the woodpulp processing plants in Ruzomberok and Zilina, the furniture factory in Vranov, Slovakofarma Hlohovec, desulfurization of gases in Slovnaft, industrial rubber at Hnuste, glazed floor tiles in Michalovce, TAZ Agrovoz Trnava, integrated circuits in Tesla Piestany, Z projects Tatra Banovce, slab casting in VSZ [East Slovak Iron Works], the meat combine in Dunajska Streda, the yeast factory in Trebisov, the reconstruction of chipboard production capacities at Bucina and others.

Due to the smaller scope of construction starts, the plan lists only those properly designed and with the suppliers contracted projects which are to effect progressive changes in the production structure and efficiency. The emphasis is on the start of those projects which will result in further expansion of the fuel-energy basis such as preliminary construction work on another nuclear power plant in Michovce near Levice, continued construction of the Vs [nuclear power plant] in Bohunice, power plants on the Cierny Vah and lower Vah, and water works on the Danube. Additional projects will be started in connection with further intensification of agricultural production and its more effective utilization in the food industry. In the tertiary sphere, the funds available to the national committees will be primarily used for financing of comprehensive housing construction and water works.

Satisfaction of Consumer Needs

The plan anticipates a 3.3 percent increase in personal consumption and thus strengthening of its role in material incentives and coordination of personal and social interests. To achieve this goal, the people's monetary incomes are to amount to Kcs 112 billion in 1981, which is Kcs 4.25 billion more than in 1980. Both earned incomes and social incomes will be 3.4 percent higher than in 1980. This increase in incomes will make it possible for our citizens not only to purchase 3.3 percent more goods and spend 4.1 percent more on services, but also to retain more than Kcs 4 billion to increase their deposits in savings banks or in cash at home.

Despite the high degree of satisfaction of needs already reached the plan anticipates a further increase in sales of food by Kcs 800 million, or 2.2 percent, and--in order to achieve a more rational diet--an increase in sales of milk products, eggs, poultry, vegetables and fruit. While sales of industrial goods are expected to increase generally (by Kcs 1.7 billion or 4.1 percent), it is anticipated that sales of durables will increase faster (by 5.2 percent), especially of household appliances, equipment for sports and cultural establishments and materials for private housing construction. Apart from some selected goods, the plan specifies the shipments by individual sectors of so-called goods in short supply such as cotton bedclothes, bath towels, utility glass, sleds, skis, meat grinders and so on. The demand for goods of better quality should also stimulate innovations in the present assortment of consumer goods. It is anticipated that public consumption will increase by 3.8 percent in 1981.

Special attention is paid to children and youth. The capacity of day nurseries will increase by 2,300, and the capacity of kindergartens by 2,900 in 1981. Approximately half of the funds earmarked for cultural development is allocated for the restoration of historical monuments, while the second half will be used for continued construction of national cultural institutions such as broadcasting and television stations, movie studios as well as cultural and adult education establishments, particularly in the new housing projects. In the health care sector the plan lays emphasis on the completion of health care establishments, now under construction, with the capacity of 3,400 beds.

In 1981, the people's social incomes will amount to Kcs 21 billion, while the capacity of special-purpose social care establishments will increase by 390 beds, and home nursing service by 8,000 patients.

To improve the housing standards, the plan--taking into consideration the general possibilities and present state of preparation--anticipates the completion of an additional 42,800 apartments in 1981. In addition, funds have been allocated for the improvement of public facilities in the amount of Kcs 1.15 billion, which is 15 percent more than in 1980.

Improving Management Standards

The demanding nature of plan tasks underlines the necessity of coordinating the effort of all organs and organizations, of winning people over for the fulfillment of set tasks, of convincing them of the need and the realistic nature of the plan, and of the direct connection between work and the planned rise in the standard of living.

The first step in this direction in the thorough elaboration and detailing of the state plan for VHJ [economic production units], enterprises and plants. In connection with the "Set of Measures" it is imperative to adopt a qualitatively new method of detailing of plan tasks all the way down to the lowest levels of management and individual workplaces.

The organs or economic management must detail the plan tasks in a creative and differentiated way, depending upon the nature of specific conditions, but coordinate them comprehensively in a way which will give necessary instructions, reflect specific conditions and offer required information for the activity of individual levels of management, and establish links between the set tasks and planned resources.

An important part of specification of tasks and of confirmation of enterprise plans must also be the settlement of supplier-customer relations, which are of key importance for the implementation of the plan.

It is necessary to precisely define for enterprises and plants the conditions and rules of material incentives according to which they will participate in the use of incentives which were formulated in direct cooperation with them.

Another condition of implementation of the 1981 plan is to make clear and comprehensible to the workers what the key tasks in their workplaces are, the tasks on which they should concentrate their efforts. This is the underlying idea of the document, jointly issued by the SSR Government and Slovak Trade Union Council, on the key joint tasks for the implementation of the 1981 plan.

This document outlines, but also requires detailing of the societywide priorities for individual workplaces. The workers in every workshop must know what the key tasks for 1981 are, and also the conditions of their fulfillment and the links between the fulfillment of tasks and remuneration.

In this way conditions should be created for the fulfillment of the third task--to more intensively and more systematically organize workers' participation in the implementation of the plan. Also in this respect the government and the URO

[Central Council of Trade Unions] adopted a joint document on workers' participation in the formulation, implementation and checks on the fulfillment of the Seventh Five-Year Plan. In accordance with this document, it is necessary to direct individual and collective pledges to the key sections of enterprise plans, to eliminate formalism in making pledges, and to pay more attention particularly to the "workers' individual plans," to the individual creative plans of engineering and technical personnel," and to other proven methods.

Concluding his statement Comrade Martinka, on behalf of the SSR Government, asked the SNR to approve the submitted bill on the state plan of development of the SSR national economy for 1981.

10501
CSO: 2400

BRIEFS

GYPSIES IN CSSR--Currently about 300,000 gypsies live in Czechoslovakia, 100,000 of them in Bohemia and 200,000 in Slovakia. About 70 percent of the adult gypsies of productive age are employed, this being a relatively high number in view of the fact that many gypsy women stay at home with their children. For example, in Slovakia 93.1 percent of the male gypsies but only 49.3 percent of the female gypsies are employed. Due to an emphasis on preschool education of gypsy children, they get preferential treatment concerning admission to the preschool educational facilities. Most gypsy children complete their education in the seventh or ninth grade; most that complete compulsory school attendance at the age of 15 become trade apprentices. Gypsy families have an average of four to five children. The local national committees give assistance in various forms of aid to almost 75 percent of the gypsies. In 1976-1979, the CSSR spent Kcs 165 million, of this Kcs 127.5 million in Slovakia, on specific programs concerning the gypsy populace, including social assistance. The modern gypsy settlement "Chanov" in the city of Most, North Bohemia, is a unique world experiment. The settlement which cost Kcs 120 million consists of 12 blocks of buildings, including a kindergarten, a nursery, a grade school, a shopping center and a restaurant. The settlement has 328 apartments which house approximately half of the gypsies which reside in Most. [Prague SVOBODNE SLOVO in Czech 30 Jan 81 p 3]

CSO: 2400

FIVE-YEAR ENERGY MANAGEMENT PROGRAM VIEWED

Budapest FIGYELO in Hungarian No 52, 24 Dec 80 pp 1, 4

[Article by Miklos Szocs: "Program for the Next Five Years"]

[Text] Our country's heating fuel and energy supply has been balanced for decades, and our economy is not experiencing a shortage of energy. Still, the significance of energy management has increased to an exceptional degree; satisfying demand in the long term is not an easy task in our country either. Although the effects of permanent price increases, losses in international barter and the increased costs of energy investments are temporarily moderated by socialist energy cooperation, our country, too, must adapt to the new conditions. It has become one of the fundamental tasks of our economic policy to decrease the burdens of energy supply.

Following the internationally known new strategy of energy policy, the Fifth Five Year Plan has seen a decrease in oil imports and a change in the energy structure; measures have been taken to slow down the pace of growth in demand. Investments in new coal mines, explorations of new fields of crude oil and natural gas, and the construction of the Paks Nuclear Power Plant have been started.

Although there have been positive tendencies in the past 2 years, the use of heating fuels and electric power is not efficient enough, there are still significant wastes. Thus in the period to come, a more rapid development of an energy-efficient production structure, a decrease of specific energy use, and the substitution of imported heating fuels will have a high priority in all branches of the economy. In order to carry out these tasks, the government ratified the Sixth Five-Year Plan's energy management program. considering the program's significance, however, there is a time delay in defining the tasks, in preparation, in getting familiar with the economic conditions, and in the organized implementation of the action.

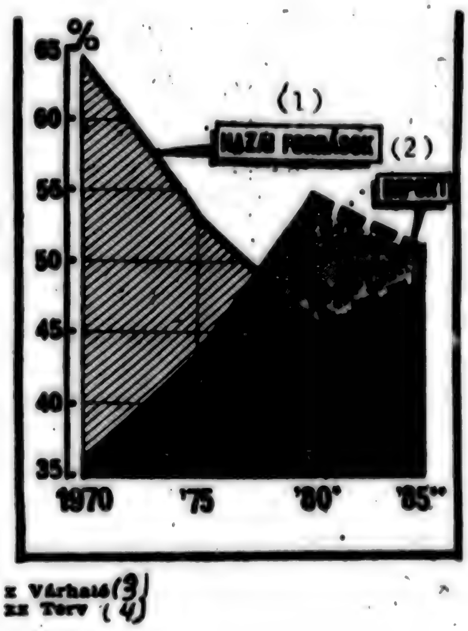
The Sixth Five-Year Plan's main economic goal is to improve economic balance. Our energy policy is also subordinated to that. Energy investments have become more limited as well and thus only those developments can be planned which are indispensable for meeting the demand for energy.

The post-1973 international experiences prove that programs resulting in energy conservation are less expensive than investments that boost the production of energy sources. The objective of our energy management program is to increase demand for energy in the Sixth Five-Year Plan period by a maximum of 10 percent--as opposed to about 20-percent increases of earlier plan periods. This is also justified by a more moderate economic growth and less development of energy intensive branches. In addition, however, demand for energy must be decreased by a further 3 to 4 percent through increased conservation and rationalization.

According to the program, imports of crude oil products and coke, in the amounts that correspond in heat value to 2 to 3 percent of use, must be substituted by cheaper fuels, e.g., with natural gas, highly inert natural gas, coal, waste matter, geothermal energy etc. We must thus achieve a reduction of the proportion of crude oil and oil products in the energy structure from 36 percent in 1980 to 32 percent.

The 5-year increase in demand will be satisfied primarily by the increase in the production and imports of electricity by the nuclear power plant to be built. The most important consequence of the structural change is that about 80 percent of the increase in demand will be met by domestic sources. This is a big change from the earlier policy which resulted in the fact that 90 percent of the increase in domestic needs in the Fifth Five Year Plan still originated from imports. The proportion of domestic and imported energy between 1970 and 1985, in percent:

Table I [Proportion of Domestic and Imported Energy Sources in Total Use]



Key:

1. Domestic sources
2. Imports
3. Estimate
4. Planned

The use of hydrocarbons in 1985 cannot exceed the 1980 level. Thus the necessarily increasing demand in certain areas during the plan period (e.g., the increased gasoline consumption that accompanies the development of motorization) must be met by energy sources left over by other consumers and by developing the changing processes (e.g., increasing crude oil processing).

The Sixth Five-Year national economic plan has provisions for using significant central resources for goals of energy management. The use of the highly inert (low-heat) natural gases of the mid-plains for fueling power plants, and the electrification of at least 260 KM of railroads will be accomplished through central sources. In the plan period, 100-120,000 residences must be connected to the gas network, and the system of electric output management will be started, which will save on peak output and electric power based on hydrocarbons. To make energy management more flexible and to make substitutions for imported fuels, a cracking plant with the capacity of 1 million tons per year will be built with preferential loans.

The enterprises' energy saving investment proposals are supported basically by the means of economic control. The domestic producer price of energy fuels is also gradually approaching world market prices. This in itself is enough to interest consumers in conservation and to initiate sensible investments. At the present world market prices, most of the rationalizing investments are recovered in 3 to 4 years. In addition, rationalization entails technological up-dating in most cases. In addition to the incentive effect of domestic energy prices, which are approaching world market prices, the management organizations may receive specified state subsidies and preferential bank loans for their rationalization investments--alongside with normative requirements of profitability.

The energy losses must be constantly examined by the management organizations and the specific energy use per product unit must be analyzed, using international comparisons as well. Possibilities must be found with which the production technologies' energy needs can be decreased, and conditions must be created to regulate and control energy uses in energy-intensive production processes.

It is a task of the management organizations not only to explore but also to work out in detail and implement the economical energy saving actions under their jurisdiction. This is why the tasks of a more efficient energy management must be included in the enterprises' Sixth Five-Year plan, and the quality of energy management must also be considered when evaluating and rewarding the work of executives.

The national consumption of coke must be decreased by 10 to 14 percent by modernizing energy use and efficiency of metallurgical technologies. The consumption of fuels and heating oil must be decreased primarily by improving the specific use of transportation and, in farming, by improving the efficiency of crop drying, by using combustible wastes and, where possible, through the wet storage and use of beetroot slices, corn and alfalfa.

Through the use of wastes in farming and forestry (straw, corn-stalks, sawdust) as fuels, it is primarily heating oil that must be substituted. The program of use must be worked out on the basis of technical and economic experiences in referential plants which will be established during the first years of the plan period. The use of geothermal energy must be extended in farming and in the heating of glass buildings and greenhouses. For an efficient use of domestic coal, the coal consumption of power plants must be kept at the same level, and the existing industrial consumers must not be allowed to switch to another energy fuel (if necessary, their coal-burning equipment must be renewed). The technical and economic feasability of reconverting equipment that used coal earlier, must be examined.

The population must be encouraged to substitute heating oil through a supply of modern coal-burning stoves and small furnaces, and quality coal that makes possible their convenient and regular use. In construction, more attention must be paid to insulation. The insulation requirements and window-space norms specified by the standards must be observed, and doors and windows must be insulated according to specifications. In our largest housing compounds, the residents pay in a lump sum for heating and hot water which does not encourage conservation. It would be well to switch to individual acounts as soon as possible and to establish the financial conditions and a supply of equipment for this.

The population does not have to give up the more convenient energy sources, especially the convenience electricity and gas. But, at the same time, it is in the interest of the national economy for the population to use a substitute energy source for heating oil--one, supplying modern and convenient heat. This is why we must manufacture or import appliances and clock thermostats needed for electric and water heating at night, as well as efficient gas appliances.

After consumer energy price increased, the population also has an interest in trading in their household appliances for more efficient and economical ones. Unfortunately, the marketing of appliances in our country is monitored only on the basis of quantity, and the consumer is happy when he can find at all the appliances he needs. For this reason, official specifications must be used to build up suitable technical parameters and to encourage a larger supply of economical equipment. This can be a significant saving for the national economy and a significant saving for the population.

The implementation of the energy management program must be aided through organized control, through defining responsibilities, and through rewards and punishments.

By taking energy conservation measures and by eliminating waste, we can gain time in solving our long-range energy problems. Economical management can reduce our costs and cut down on imports, and our exports can be made more economical. In the final analysis, national revenues and their domestic use can be increased more rapidly.

9414
CSO: 2500

CSIKOS-NAGY DISCUSSES SIGNIFICANCE OF MATERIAL INTEREST

Budapest VALOSAG in Hungarian No 1, Jan 81 pp 12-15

[Article by Bela Csikos-Nagy, chairman of the National Material and Price Office: "Nine Questions on Material Interest"]

[Text] Various interpretations of the organizational strength of material interest have surfaced in debates during the preparatory phase of the Sixth Five-Year Plan and the 1980 modifications of economic regulators. There have been conflicting views even in cases where agreement existed as to the aims served by incentives. I shall discuss questions that are especially important to clear up in the interests of healthy economic thinking and correct orientation of public opinion.

1. When inquiring into the reasons why profit interest is the rational form of material incentive, we must start from the fact that the quality of enterprise operations is measured by two indicators: productivity and profitability. Productivity on the enterprise level distinguishes between work performed inside and outside of the enterprise. When enterprises have an incentive to increase production value per worker, then it is in their interest to reduce the average labor intensity of their production structure while preferring material intensive products and even being wasteful of products generated outside of the enterprise, if this is one way in which they can save labor within the enterprise. Profitability, on the other hand, establishes a connection between work performed within the enterprise and work performed previously, without which the work within the enterprise could not take place.

The Worker-Peasant Revolutionary Government showed good judgment in 1957 when it decided to introduce profit sharing by workers, increasingly opening the door to social activity based on individual initiative. The important signposts were as follows: abolition of the compulsory deliveries of agricultural products and the switch in 1957 to the free purchase system; elimination of eocnomic direction based on compulsory plan targets by the 1968 economic reform; the 1980 changes in financial and price regulations, the introduction of competitive prices and the strengthening of the normative aspects of financial regulations.

2. Why is it that profitability measures enterprise work and not the economic benefits of the product? Let us take an example. Reorganization committees have been in operation in the 1950's. A number of them have made rash decisions, for example, by "relieving" enterprises of "loss-making product lines," including those that played a role in regulating profits by distributing overhead costs of production. It would not hurt to pay attention to this once again.

The 1977 resolution regarding long range foreign trade policy and production structure development guidelines calls for cutbacks in uneconomic production while keeping in mind the responsibility for providing adequate supplies. Subsequently, some enterprises ranked their products according to profitability.

One is tempted to assume that by cutting back or eliminating altogether the manufacturing of products at the bottom of the list is it is possible to improve the profit position or economic position of the enterprise. However, the experience contradicts these assumptions in a number of cases. When production levels decline, the enterprise may end up in a worse position because it is unable to utilize unused capacities to make profitable products.

The law of returns states the relationship between profitability of enterprises and rentability of products. It would be extremely useful, from the standpoint of satisfying demand with varying composition and achieving economically sound product structure, to study it and apply it to enterprise conditions.

3. On the manifestations of growth incentives and the reasons why it is irrational to force growth on every production unit... Wherever we look, we find that, in the enterprises' opinion, the only things considered government incentives are those that improve, or, in any case, do not impair, their profit position. Let us take two examples.

Everyone agrees that it would be sensible to transfer some user inventories to the trade in the means of production. This could ensure uninterrupted production with smaller total inventories. However, those involved are unwilling to carry out the regrouping of credit funds. This means that credit volume must increase at a time when we are preparing measures aimed at reducing revolving asset requirements. Or: we would like to expand the main contractor system to ensure rational organization of investments. As a result, investment costs should decline. Nevertheless, the only way in which we are able to show results is by permitting price surcharges, instead of cost redistribution.

It seems that, instead of profit incentives, what we have is profit growth incentives. This was introduced by a leadership centered on bases, which were a characteristic feature of operations based on compulsory plan targets and were also preserved by the 1968 economic record, especially in wage management. The 1980 modifications of regulators placed especial emphasis on their abolition. Nevertheless, some of their elements are still in force.

Routine may also play a role in a situation where enterprises treat an above average situation as a private matter and below average situations as a public issue. With this kind of a public attitude, everything that reduces existing profit rates is considered a deficiency of the system of economic direction, to be resolved by correction of regulators or individual preferences. The more we do to defeat the damaging practice of eluding problems, the better chance we have of rapidly restoring our lost balance of international payments.

4. Profit interest will lead to satisfactory results only in an economically determined price system. Why does this consideration imply a need to eliminate cost-based price calculation? In a system based on cost, price is subordinated to, and justifies, plant structure, production structure and manufacturing technology, instead of controlling them. This price system was forced on socialist production of

commodities by a technocratic outlook with the aim of removing it from direct control of the value law. But the value law cannot be repealed in an economy that produces commodities. Mistaken development impairs social efficiency of labor while missed opportunities steer economic development toward a suboptimal path.

In order for price to be a guiding factor of structural policy, enterprise results must be regulated by a position achieved through international competition. Under our conditions, the key question is to use increasingly expensive materials and energy in a manner and for purposes that can ensure that the goods produced by using them can be exported profitably to the world market.

5. The competitive price system has been introduced only in some industries. When we look at other sectors, our starting point must be our fundamental interest in strengthening the role of prices in rational enterprise behavior in sectors where cost-based prices are still in effect. At this point, attention is focused on food production and the construction industry. In food production, the problem is caused by the fact that the conditions for agricultural production in Europe are unfavorable when compared to some overseas countries while the world market price level of agricultural products is controlled by production conditions existing in the latter. Special features must be taken into account in every sector when we create the conditions existing necessary for rational operation of prices. In food production, the next step may be to provide the conditions necessary to include the food industry within the competitive price sphere.

The question is fundamentally different in the construction industry. Capital goods are a special kind of commodity. In the case of a productive investment project, value is controlled not by the cost of the installation but by the international market price of the goods produced by the plant. If the cost of the product manufactured with the newly installed capacity exceeds the world market price then some of the invested assets do not represent actual value. This happens when the size of the plant, manufacturing technology or the product design is uneconomic; either because it was uneconomic to begin with or it became uneconomic as a result of excessive construction cost or prolonged costruction schedules.

One of the important tasks of the coming years is to subordinate the material interests of all economic units involved in an investment project to the economic criteria of the investment project. In infrastructural construction, the solution may lie in expanded use of the tender system and a corresponding organizational structure.

6. Material interest is related to profit via a number of parameters that affect human behavior. How can these be taken into account by economic policy? This is the "art" of economic policy. This means not only that interests may only be defined within a given socio-economic environment, but also that this environment itself can change with changing conditions.

Let us take an example. Everybody was surprised when the emergence of large scale socialist agriculture led to an increase in the cost of animal husbandry, even though politicians promised cheaper meat after collectivisation. These promises were based on 2 errors. First, parity of worker and peasant incomes was a prerequisite for the development of agriculture on a socialist base. Thus, it was necessary to eliminate to the 1 : 0.4 income disparity. Second, taking care of animals around the house was woman's work in a small farm. This was not considered productive work. The family's economic well-being was based on crop production. Animal husbandry was considered a good proposition if the price of animals matched the market value of fodder. This could not continue under the new division of labor within the organizational structure of large scale production.

On the other hand, let us consider the relationships among the domestic market, the CEMA market and the capitalist world market. Our investigations a few years ago led to the conclusion that, with a few exceptions, our enterprises prefer domestic sales to CEMA exports and CEMA exports to capitalist exports. This is in spite of the fact that, in the period under investigation, profit rates for domestic sales were lower than for CEMA exports, and greater for capitalist exports than for CEMA exports. A number of factors affected the behavior of enterprises, from risks to the advantages arising from long-range relationships.

7. What specific interests arise from the coexistence of these three markets?

Approximate calculations show that at the beginning of the decade 60 percent of the GDP belongs to the sphere of the domestic market, 22 percent to the CEMA market and 18 percent to the world market. These markets have specific characteristics.

The CEMA market is characterized by bilateral balancing of product structures and multilateral accounting of shipments. Thus, certain tendencies may be observed that lead to the pairing off of approximately similar product structures in terms of capital and labor intensity. When one country is interested in obtaining a product that it finds indispensable, then it must adapt to the needs of the supplier country, whether or not this represents the best alternative from the standpoint of efficiency. This trend is also apparent in the setting of foreign trade prices. Not only export and import product prices but also export and import price levels are reconciled in bilateral relations.

The problem of product structure is becoming increasingly important in relations established in the world market. In advanced industrial capitalist countries it is easier to sell foods, materials and typical semi-finished goods than machines and highly processed consumer goods. This is not always just a function of the technical parameters of finished goods but depends also on market organization: the ties between producer and marketing companies in industrially advanced capitalist countries creates a quasi-discriminatory situation for outsiders.

This leads to the conclusion that the regulation of economic processes cannot be reduced to just a matter of automatic price effects. A definite governmental structural policy is needed, one that takes into account the possible ways and means of developing international division of labor in dividing up investment among industry, agriculture and infrastructure and activating the price function in areas where it is possible to flexibly shape economic structure in line with foreign trade requirements.

8. In interpreting the limitations on profit interest, our starting point must be the fact that it is impossible to explain the development of national economies exclusively in terms of material interests. If deficiencies of the economic sphere could be eliminated just by material interest then it would not be possible to explain the great differences in development among countries organized within a market

system, since in these countries the quasi-economic law states that relative prices are regulated by relative scarcity; thus, there are specific material interests associated with the elimination of shortages. This, in itself, is obviously not sufficient.

But let us stay with our own problems. It is not realistic to assume that, since products are universally convertible, the direction of marketing is merely a function of material interest; and, similarly, that a structure ensuring international competitiveness is just a question of a price system governed by economic factors. It may be useful to state that incentives do not eliminate the problem and may in fact exacerbate it if they must provide material interest in a bad production structure.

The physical obstacles to material interests may in part be eliminated in the short run. For example, it is possible to create the organizational conditions necessary for rational production and marketing. On the other hand, there are questions that must be solved over the medium or long haul. For example, those that relate to the general level of production sophistication. Also, there are objective differences between countries (an investigation into these could lead too far).

Further improvement of our management system depends primarily on our ability to harness spontaneous processes regulated by material interests to facilitate planned development within a framework of general equilibrium. This can be accomplished only if we can improve rational methods for activating material interests and recognize the conditions and limitations of regulation accomplished in this manner.

9. In the final analysis, is there a justification for the many kinds of state intervention in enterprise operations that characterize the present? When the economy is struggling with balance problems, central intervention in economic processes becomes more widespread from time to time. The correctness in principle of such intervention is often doubted even by those who carry it out. It is difficult to pose in the role of a judge. No one can seriously assert that the 1968 economic reforms intended to provide for planned development without state intervention. We have always been aware of the need to use direct financial regulators alongside with "indirect" ones, and that the means of regulating production, distribution, prices and income must be employed in specific areas under specific conditions.

Yet, it was also clear that regulation of values (price and income policies) are preferable to natural regulation (production and distribution); that financial (monetary and budgetary policy) regulation is preferable to value regulation; and that, within the sphere of financial regulations, indirect intervention corresponds better to the logic of the system of management than direct intervention.

This is why, at a time when too many production and marketing restrictions must be applied, when prices and wages must be under central regulation in an excessively wide sphere and direct intervention is coming to the forefront in financial regulation, the question must arise whether we are putting an excessive burden on the economy. At present, we are setting sound goals for ourselves precisely to strengthen internal balance.

9164
CSO: 2500

AGRICULTURAL PLANS FOR 1981 OUTLINED

Budapest MAGYAR MEZOGAZDASAG in Hungarian No 1, 7 Jan 81 pp 2-3

[Untitled article]

[Text] In 1980--in the last year of our Fifth Five-Year Plan--most of our agricultural operations had a better year than the unfavorable year of 1979. They produced an agricultural production value which, even though it fell somewhat short of the plan, but--at comparative prices--it was still about 5 percent higher than in the year before.

At its 13 November 1980 session, the Central Committee debated the Sixth Five-Year Plan of the national economy's development as presented by Ferenc Havasi, a member of the Politburo. That discussion also defined the direction and tasks of developing the branches participating in food production. This guideline starts out from the point that we will consistently continue the economic policy and management practices which went into effect in 1979-1980, and which were confirmed by the 12th MSZMP Congress.

Just as in the program for the national economy as a whole, the programs for developing agriculture, forestry management and the food industry were prepared by taking into consideration the situation which has developed by the end of the Fifth Five-Year Plan, and the domestic and foreign conditions which can be expected to prevail in the following years. The essence of this is that the foreign conditions for our economy's growth will not be any more favorable in the next 5 years, either, than they have been for the last 2 years.

Our branches have important tasks in improving the [economic] equilibrium situation, in vigorously increasing production efficiency, and in solidifying the standard of living we have achieved. The main goal of the work serving to accomplish this can be nothing other than increasing the efficiency of production, thus increasing its international competitiveness.

As was also unambiguously defined at the Central Committee's last session mentioned above: the main task in agriculture is to implement the quality, profitability, and frugality requirements better than before. It is well known that--in addition to improvements in cost management--there are also significant reserves in agriculture in increasing yields. We are not taking adequate advantage of the biological performance capabilities of our most important plants. Our major agricultural operations could profitably and essentially achieve our present crop averages even without a change in plant types if we provided the appropriate production conditions for it. We have an interest in taking better advantage of the reserves hidden in the genetic and biological performance capabilities in growing plants as well as in raising livestock, in the interest of profitably increasing their yields.

In connection with agriculture's development, we must refer to those tasks which in this branch include the better utilization of protein resources, increased protection of the planting area and of the soil quality, and improvements in grasslands and pasture management. These tasks, concisely defined at the Central Committee meeting, also determine what needs to be done in 1981.

The 1981 plans for agriculture, the food industry, and forestry management were prepared in this spirit.

Agriculture

The national economic plan for 1981 expects about a 2.5-3-percent growth in the production of agricultural products. In closer detail, this means that we are projecting a somewhat larger than average growth in the gross output of growing plants, and a smaller than average increase in raising animals. Production by the household plots and auxiliary farms will continue to be indispensable to the national economy, but it must be emphasized that--in addition to efficiency increases--we expect the growth of production primarily from the major agricultural operations.

The plan does not expect significant changes in the structure of growing plants. However, it deserves mention that the planting area of grain types, and their 61 percent ratio of plowlands will continue to be definitive in plant growing. Total grain-planting area planned for 1981 is 1.3 percent more than last year. Its level is characterized by the following data: our goals are average yields of 4.5 tons of wheat and 5.4 tons of corn per hectare. The 13.7 million tons of total planned production will cover the needs of the population, industry, livestock fodder and there will even be some left over for export. When they determine the planting structure, the farms will have to pay more attention to local soil and climate conditions. Planting areas of sugar beets, oil-bearing plants, and potatoes will increase, while those of plowland vegetables will be similar in size to last year.

More reasonable utilization of the planting area and achieving the goals of plant production require that production levels be increased, and new processes and methods be introduced in bulk fodeer production on plowlands, in grasslands and pasture management, and in the use of byproducts for fodder.

In animal raising the plan projects no significant changes.

Within the cattle stock we expect the number of cows to remain the same at 765,000 head, with the milking stock decreasing by about 10,000 head and the meat stock increasing by a similar number.

Using the experience of the leading major operations, we must continue to develop raising and feeding technologies to correspond to the varying production conditions. Death losses must be decreased, and animal health care work improved. Feeding must be made more practical, while increasing the use of bulk feeds, grass, and byproducts.

In slaughter hog production, we plan to maintain or slightly increase the high level already achieved, with a smaller hog stock than last year. When we developed the plan, we expected hog production not to decrease on the small farms compared to what was expected for 1980. Improving raising conditions, technological discipline, animal health care work, and fodder conversion are also important tasks in raising hogs.

In sheep raising, our goal is to expand stock and production of slaughter sheep.

With its small increase, poultry production in 1981 will reach 460,000 tons according to our plans. Agricultural operations will have to endeavor to improve quality by more stringently observing technological discipline, and by following the animal health care regulations.

As production conditions improve, we expect slaughter rabbit production to gradually increase. Demand on both the domestic and foreign markets justifies the increase in fish production. The plan therefore makes it a goal to expand production in this branch also.

We plan the fodder consumption of our animal-raising activity in accordance with the number of animals planned, and with the slaughter stock and production of animal products. Increasing the inherent values is a condition of improving the specific fodder conversion rates. About 55 percent of the planned grain fodder consumption is blended grain fodder. Expanding and using domestic protein resources is an important job. From this follows that an increasing proportion--about 39 percent--of the protein fodder needed for feeds be met by domestic production. The operations can help cut down on the use of grain fodder--and imports within this--by increasing yeilds of hayfields and bulk fodders planted as main crops.

Investments, Material and Technical Supplies

Will our material resources be sufficient to fulfill the increasing tasks? The national economy's situation undoubtedly also sets limits on the growth of agricultural investments. In addition to 5 billion forints of state subsidy, the national economic plan also expects to invest 24 to 24.5 billion forints in agriculture.

About 23.6 billion forints will be spent on investments by the enterprises. More than half of the construction budget will be needed for investments in progress. Reconstruction projects will be emphasized and particular emphasis will be placed on on improving the utilization of existing equipment.

According to the plan, we will spend about 1.6 billion forints on improvement investments, and the state will supply 1 billion forints of subsidy for implementing these. In using the improvement budget, we will concentrate the monetary funds on improving regional water systems and making comprehensive improvements.

In the area of machinery investments, the subsidy for tractor purchases will drop from 20 to 15 percent. We will continue subsidizing domestic machinery implements and those imported from socialist countries at the same extent as now; the same will be true also for special machinery purchases for vegetable, sugar beet, potato, fruit, and bulk fodder production.

The regulation which came into effect as of 1 January, and according to which operating implements, small machinery, etc., of less than 20,000 forints in value from now on will not be considered as fixed assets, is also related to the financing of investments.

In the 1981 plan, we expect agricultural operations to reasonably increase their use of chemical fertilizers and plant-protecting chemicals in order to create a better foundation for production. At the same time, more and more operations are affecting reasonable savings in these chemicals which are sold with significant budgetary subsidies.

The national budget has earmarked 8 billion forints of subsidy to cover the differences between industrial and producer costs, or the import costs of chemical fertilizers, and plant-protecting chemicals and small machinery, and the prices agriculture pays for them. This way agricultural operations will be to buy chemical fertilizers at unchanged prices during the year.

Household plot and auxiliary farm operations fill a significant role in supply and exports, and a definitive role with respect to some products. Thus the state will continue to support their activity with economic and financial tools. Uncovering the resources hidden here can be assisted by strengthening the integrating activities of the major operations, and by applying efficient tools and methods to help production.

Food Industry

At comparative prices, the processing of vegetable products will increase 2.1 percent, animal products 2.0 percent, and the output of other industries 2.7 percent in the food industry in 1981.

In the main speciality branches, the maximum contribution of the meat industry to improve our foreign trade balance--while domestic consumption, which accounts for about 70 percent of its output, is improving--continues to be one of the basic tasks. This year we are planning a scheduled receiving, processing, and sale of 7.1 million slaughter hogs and 590,000 slaughter cattle. The major agricultural operations and AFESZ's [General Consumer and Marketing Cooperatives] will process 1.65 million slaughter hogs which they will have raised themselves, while the population will process nearly 1.7 million by way of self-consumption.

The plan projects that purchases made by the poultry industry and slaughter poultry production will continue at the level expected for 1980. The increase in agricultural output will expand the processed-goods base of the major agricultural operations and their associates. The available quantity of goods will have to satisfy the increasing domestic demand and an export level approaching that of 1980. The level of processing and the product structure will have to be adjusted in harmony with changing market demands.

The 1981 plan expects 2 to 3 percent growth in grain industry production. Industry's task is the reasonable exploitation of grain export opportunities.

If the planned production level of oil-bearing plants materializes, the vegetable oil industry--with the new factory in Martfu operating at full capacity--can produce 245,000 tons of vegetable oil in 1981, nearly 70 percent of which we can export.

In the canning industry, we have to count on the production level remaining the same. The basic task is transformation of the product structure.

The 1981 plan expects domestic consumption of meat, dairy products, eggs, vegetables, and fruit to increase somewhat compared to last year.

Food Supply, Foreign Trade

Last Year's overall foreign trade of agricultural and food industrial products was favorable. Nonruble-account exports surpassed both the previous year's level and the plan. The favorable foreign market prices of meat and grain also contributed to this. Even though ruble-account exports increased, they did not reach the planned level. Imports decreased from both relationships, thus the foreign trade balance was significantly better than in 1979.

The 1981 plan expects the export of agricultural and food industrial products to further increase.

As a result of the Martfu Vegetable Oil Plant going into operation, domestic vegetable protein fodder production will expand, thus we can expect vegetable protein imports to decrease.

This year's overall plan expects that as a result of increases in non-ruble-account exports and rising sales prices, the balance of this relationship will significantly improve. With moderate increases in ruble-account exports and imports, the trade balance will be near the level expected for 1980.

The food industry's planned level of investments in 1981 will be below the expected 1980 performance. The resources available in 1981 will be sufficient primarily to complete the investments in progress as soon as possible and to make level-maintaining developments. The enterprises will have to spend most of their development resources to repay obligations deriving from developments made in previous years. We expect to start new investments in 1981 primarily within the framework of credit budgets designed to increase the convertible export merchandise base.

Forestry Management

Forestry management will also grow in 1981 in harmony with domestic needs and foreign trade opportunities.

In 1981, the amount of trees harvested will continue to increase nationwide by 2.5 to 3 percent compared to 1980. This means 150,000 to 200,000 cubic meters more domestic lumber. Broad cooperation must be emphasized to carry out this task, and in the interest of developing capacities of a profitable order of magnitude.

The plan also includes continuous reforestation and forest rejuvenation in place of the harvested forests. Due to uneven seed production, the composition of available seedlings does not fully meet needs. Rejuvenation of forests is made more difficult by this circumstance and by the shortage of equipment seen in the forestry management activities of agricultural operations.

According to the plan, the gross production of enterprises listed under the forestry management branch will increase 0.5 percent, measured at comparable prices.

The tension in domestic supply of industrial lumber--which resulted from import shortages--was essentially eliminated by the second half of 1980. It is expected that we will also be able to maintain the balance in 1981 and that it will also be possible to increase profitable capitalist exports by increasing production. Sales measures have been taken in the interest of supplying the population with firewood.

Increased attention will have to be paid next year to mechanizing basic forestry activities at those forestry management enterprises (vertical enterprises) which also do primary processing. Therefore, the rate of mechanization in 1981 is expected to surpass the previous year's rate. The proportion and amount of industrial developments will decrease. Appropriate financial resources will be provided for justified developments by 100-percent-allowed amortization, by the development fund formed from 1980 profits which exceeds the plan somewhat, and by credit which can be used at a higher rate than before to expand the export merchandise base.

The income of forestry management enterprises will grow by an average of 15 percent in 1981--calculated at current prices. The growth of investments will be slightly higher, due primarily to the expected rise in industrial prices.

8584
CSO: 2500

MINISTER VANCSA INTERVIEWED ON AGRICULTURAL PROSPECTS

Budapest NEPSZBADSAG in Hungarian 25 Jan 81 p 5

[Interview with Jeno Vancsa, minister of agriculture and food industry, by Istvan Almasi, no date or place given]

[Text] The view is gaining strength about our agriculture--and not unreasonably or unjustifiably--that even when measured by the standards of international economic life it is affording an increasingly better achievement for the profit of those who work in it and for the benefit of the country. This is a proper and justifiable view even though our agriculture and food industry is faced by a whole series of important tasks, and much remains to be done both in the volume of production or the quality. As for the results, it has been particularly the volume of agricultural and food industrial production which has grown strongly in our country. On this basis, domestic food consumption in Hungary has reached, in calories, the world's vanguard, while the structure of food consumption and its composition is about at the very highest level. At the same time, in 1970 the food economy exports came to 25 billion forints calculated at current prices, and last year to more than 60 billion forints. This was yesterday but far more important is tomorrow. What can we expect? What possibilities and tasks are awaiting food production? This was the main question of the conversation between our colleague and Jeno Vancsa, minister of agriculture and food industry.

[Question] The new five-year plan has set those major economic political goals which our economy must pursue in respect to the living standard and the formation of the international payments balance. Proceeding from this, what tasks fall on domestic food production?

[Answer] Food production is an essential and organic part of the economy and of our entire life. I rejoice in the social appreciation which we have met with. This indicates at the same time our responsibility. In knowledge of this, we shall continue in the five-year plan now beginning the work which brought such fine results in the building of socialism. What we have achieved thus far, we can and shall improve and increase in all areas.

Of course, as an economic task, the improvement of the international payments balance and the fulfillment of living standard policy goals stand at the center of work also in the agricultural branch. We well know that the nature of the food supply significantly influences the general morale, and that this is basic in the life of people.

We are equipping ourselves to see that in the coming years there will be a further increase in the per capita consumption of meat, meat produce, milk, diary products, eggs--that is, in all the biologically important nutrients of higher value. It is certain the process will continue which is characteristic also of the consumption of the so-called cereals in Hungary as well as in the economically advanced countries of the world. That is, the consumption of flour and flour products is declining. We are, however, counting on an increase in the consumption of vegetables and fruit. On the production side, we shall be capable of meeting the requirements for modern, proper nourishment.

[Question] Can the agricultural branch increase exports, and to what extent will these exports contribute to an improvement in the foreign trade balance?

[Answer] In the development of agricultural production we are faced by two main tasks. We will produce as much of everything as is needed domestically of traditionally cultivable products. Beyond the demand we will vigorously increase agricultural and food industrial production also in those branches which are capable of economic export. The economic plan calls for an increase of over 30 percent in agricultural export by the end of 1985. The related imports will increase to a substantially smaller extent. Thus in the final analysis we must better put in the service of the country those natural endowments which are important and at times determining factors of agricultural production and production development. And we must do this in such a way that we will further increase the active balance.

[Answer] An increase in the contribution of agriculture to the national income does not appear to be a lesser task either. In this, the Sixth Five-Year Plan is counting on an improvement of greater extent than ever before. What is being done to realize this?

[Answer] A detailed analysis would take us far afield. In any event, we must increase the production of agricultural products to a similar extent as in the Fifth Five-Year Plan period, that is, annually by 2.3 to 2.8 percent. Parallel with this, however, we must improve the economy of production, which is one of the basic conditions for a larger contribution to the national income.

[Question] An improvement in the economy of production has been included in previous plans. Why do you now expect more vigorous development?

[Answer] A great compelling force is to be found in changes in the regulation of the economy, the rise in prices for means, materials and equipment which are used in agriculture, or the planned and gradual implementation domestically of the changes taking place in the international economy. The higher agricultural prices cover only about two-thirds of the agricultural cost increases stemming form an increase in the price of industrial products and energy. The extent and scope of state supports is also growing more narrow. The producer units must defend themselves against these financial effects by improving the quality of their management.

But there is more than compulsion. We also provide incentive for the contribution of our branch to the national income to improve parallel with the increase in production. The "melioraci" [increased incentive to improve productivity of the soil]--which increases the natural productive capability of the soil and promotes the effectiveness of investments in crop production--we wish to increase rates and more favorable terms. Also, we shall support energy-saving production procedures with financial means.

[Question] All this is very well, and the initial results are also evident. But in practice change is slow. To what extent do we have the means for the use of greater energy-saving methods?

[Answer] There is no question that various agriculturally developed countries are ahead of us and have adjusted more rapidly to the altered conditions in agriculture and in industry, which may be regarded as the purchasing market for agriculture. From machinery for soil cultivation without plowing to the utilization of economic by-products we also need many things for the technologies of economic production. We need knowledge, proper attitude, means and materials. Research, education, the agricultural machinery and chemical industry, and the import of agricultural means must all adjust better to today's conditions in order to realize more rapidly in practice what we are striving for in agriculture. I would like specially to stress that the tasks and efforts related to production development, economy, incentive, and interest are pertinent to every sector of the food industry. On our large socialist farms they know what our country is expecting of them, and they know the management conditions, possibilities and requirements. They also know that the help, unity and activity of the so-called small-scale farming branch must be an organic part of their work.

[Question] What are your ideas for the future on the realization of interest, enterprise independence, cooperative and plant democracy?

[Answer] These have been, up to now as well, cardinal precepts in the government's agricultural policy. When inconsistencies appear in their realization, this is very quickly evident in practice. In my judgment one of the main sources of the successful development of food production in our country is the general good morale among our workers. Without exception, every farm and enterprise has problems and concerns which can be solved only with great difficulty and through the consistent work of many. To this end, it is indispensable that we continue to maintain, improve and increase interest. Everyone must be interested, personally and materially, in seeing that what he does is performed the most rationally, the best, and also from the point of view of profit the most successfully. Many good methods are found for this in our large plants. It is in our basic interest to make these more general and adjust them to today's requirements.

Enterprise independence as well as actual realization of cooperative and plant democracy also play an indispensable role in seeing that the problems within farm or enterprise should be the common concern of those working there, and they should make a joint effort for their solution. This is recognized more and more by the party organizations and enterprise managers and by interest protection, social organs. This recognition must be followed more resolutely by deeds, by a work method which promotes the true realization of constructive forces.

The tasks are broad in their ramification. It is not at all sufficient if the government and the ministry seek to create the conditions of plant independence. Greater independence must also be given to the units within the farms.

[Question] In agricultural production, the Sixth Five-Year Plan is requiring greater achievement and a more rapid rate of development than in the previous 5 years. How realistic is this goal?

[Answer] The fate of food production depends on the soil. In many respects it is the production and yield of the arable land and the grasslands that determine the possibilities of livestock breeding development as well. Therefore, we must base on crop production the production development on which we are counting.

Without doubt, the development of crop production is influenced more greatly by weather than is livestock breeding. Here too we have the endowments for the planned and vigorous development of crop production.

I have already mentioned that we are investing large sums in "melioracio." The mechanization of crop production and its material-technical base is being modernized. The biological bases of production development--by rapid taking over of international results and with recent successes in domestic research--have given us further possibilities for the development of crop production. With a more exact and disciplined observance of production technologies and more careful agrotechnology, we can exploit these possibilities better than in the past.

[Question] By the end of the Fifth Five-Year Plan, the grain-producing area was about 200,000 hectares less annually than planned, not least of all because the arable land was being reduced more rapidly than estimated. How are you planning to change the situation?

[Answer] In the past 5 years we counted on a decline of 60,000 hectares. Actually, the arable land areas declined about twice as much. This situation cannot be maintained. By consistent realization of the statutory provisions for land protection and putting into arable land cultivation the areas that are suitable, we must bring about a radical reduction in the decrease of the agricultural and arable land area. This is one of the conditions for increasing grain production by almost 2 million tons by 1985 as compared to last year, and reach a total of 15.4 million tons.

Fulfillment of the grain-production plan--which assumes a 4,900 kilogram average per hectare for wheat and a 6,000 kilogram average per hectare for corn--presents us with the most important single task of the 5-year period that faces us. Based on this grain production is not only the domestic bread-flour supply but also meat production and grain export, which is of very great value.

[Question] Like the planned grain exports, this too will contribute to a situation where in the coming years the export of agricultural products will increase more rapidly than that of the food industry. Would not a reverse ratio be better? Instead of products and agricultural produce of a raw material nature, export more highly processed food products?

[Answer] It would be good. But for the time being, this is all our food industry can do. Under the Fifth Five-Year Plan the domestic food industry--above all, the meat industry--increased its processing capacity more than ever before. Despite this, we did not succeed in fully eliminating the contradiction which developed earlier between production and processing.

Export economy requirements also play a role in that by 1985 we intend to increase the export of our agricultural products by about 50 percent and the export of food industry products by 30 percent. It is also true that those who buy from us have a food industry and therefore purchase raw food materials and semi-processed goods more willingly at a reasonable price. Nor can we ignore the fact that the international competibility of our food industry, particularly in certain branches, does not reach the desired level, and the reason for this must be sought for not only in the given branch but also in the domestic background industry.

The efforts we encounter in the food industry are proper: to increase selection, to improve quality, the rate of delivery, packaging, and contents according to the demands of the purchasers. In addition, we must adjust more rapidly to the changing market requirements. I am convinced that there are still great possibilities and reserves in domestic agricultural production. And the perspectives for the development of the food industry are still greater.

The multi-sector principle, which is characteristic of our agriculture, is also valid in the food industry. Let us give incentive to the agricultural operations to develop and expand their processing activity if we can do this competitively.

[Question] We have frequently voiced the importance of enterprise readiness and of initiative. But here and there the managers of farms and enterprises say that we do not lack initiative but the money for implementation. What do you say of this view?

[Answer] Without downplaying the importance and role of investment and money, I maintain that intellectual preparedness, knowledge, skill and the will to be constructive have at least as much importance in production development and in more successful management as material benefits. We could list dozens of agricultural and food industry plants where the leadership and personnel, by surveying well the local possibilities and endownments, are developing and organizing production, performing producer work, and in addition doing so very successfully.

In agriculture it is not possible to work by formulas and by copying others. In the strictest sense of the world, the large agricultural farms need independent, creative work. Production on a farm in more than one branch must be renewed from year to year, if it wants to stand on its own feet. This is possible in no other way than by enterprise willingness and strength of initiative. We must make this more general in the coming years, without exception in every food-producer farm and enterprise and in their smaller units.

Domestic food production has a very exactly conceived task for the coming years. We can be and will be active participants in such work as will, if we do it well, really serve the welfare of all of us. Consciousness of this should guide our activities always and everywhere.

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CSO: 2500

HIGHER PROFITS, MORE COMPETITIVE PRODUCT STRUCTURE FOR CSEPEL

Budapest NEPSZAVA in Hungarian 8 Feb 81 p 1

[Text] The Sixth Five-Year Plan of Csepel has better utilization of existing capacities as its goal. It is meant to result in an annual 4-percent increase in the value of production over the next 5 years. Within this, production of machinery, especially special purpose equipment will increase more rapidly while production of ferrous metallurgical products will decline. One of the most powerful driving forces behind the development will be revision of the product structure in favor of technically modern, economically producible and readily salable products. In 5 years this will account for three-quarters of the trust's output as compared to 63 percent in 1980.

Manufacturing branches in addition to machine production must play a part in this. For example, far more dimentionally accurate thin strip, super alloys containing rare metals having a high melting point and steel strip for electrical engineering will be produced year by year; this will be accompanied by reduction in the ratio of unalloyed steel strip. Technical personnel and researchers are attempting to find more effective ways of utilizing the enterprise's service patents, studies and innovations.

It is hoped that a savings of 1 billion forints can be achieved during the plan period through more efficient use of resources. To begin with, specific material consumption must be reduced. Another aim is to increase prices per unit of weight between 50 to 70 forints in machine manufacturing. This means that a machine having the same value will be made from far less material (and energy) than today. Since the equipment will be both lighter and more modern, it will fetch a better price. It is also important to broaden the activity of delegations abroad involved in sales and service. By 1985, the dollar income of the Csepel Works is expected to amount to $116 million; this amounts to an annual 5-percent increase as compared to $91 million realized last year. Export of machines and nonferrous metallurgical products are expected to contribute most heavily--by 10 to 12 percent--to increased exports. Due to realization of the plans outlined, the profits of the Csepel Works are slated to increase from the 266 million forints of 1980 to 1,407 million in 1985.

CSO: 2500

GROWTH IN PHARMACEUTICALS, PLANT PROTECTIVES, INTERMEDIARIES PLANNED

Budapest NEPSZABADSAG in Hungarian 31 Jan 81 p 5

[Excerpts] At its December 1980 session the government approved the central development program for production of pharmaceuticals, plant protective agents and chemical intermediaries. The coordinated program covers the period between 1981-1990. Despite its traditional strengths, the pharmaceutical industry can remain competitive only through continuous and increased marketing of potent, original preparations. Current pharmaceutical exports include relatively few original Hungarian products as compared to those of the competition. Thus, maintenance of competitiveness calls for accelerated research, product development, special support as well as concentration of the necessary material resources. Conditions for this type of effort can be established only through the type of concentration guaranteed by the central development program.

A different scale must be used to measure achievements in the production of plant protective agents than those for the pharmaceutical industry. There has been rapid development in this branch over the past 10 years, especially since the pharmaceutical factories have begun making such agents and now account for over 30 percent of their production value. Nevertheless, Hungary makes no original products of this sort so is uncompetitive on world markets insofar as they are concerned. However, conditions gaining ground in this area exist, triggered by the Hungarian-Soviet agrochemical agreement; the central development program expands the possibilities for development.

For years, production of intermediaries was the most neglected branch of the chemical industry; this was due to the fact that it did not pay well. As the result of changes on the world market, all this has changed, and the prestige of intermediaries has risen, because they are no longer readily available. This has caused serious problems in both the production of pharmaceuticals and plant protective agents. It is virtually impossible to obtain intermediaries from the CEMA countries, and the capitalist firms are taking full advantage of the plight of our factories. (Unavailability of certain medications was often due to this.) Obtaining intermediaries abroad resulted in massive outlays of hard currency which disrupted the balance of payments. It makes sense to produce intermediaries for both export and domestic use. The demand of the pharmaceutical industry for said products increases by 8 percent annually, but demand is on the increase in agriculture: for veterinary medicine, fodder supplements as well as a greater variety of plant protective agents.

The central development program counts on investments of between 58 billion to 62 billion forints during the Sixth and Seventh Five-Year Plans. The funds are to come from enterprise sources and bank credits; this means no central allocations. Special regulation of the pharmaceutical industry during the Sixth Five-Year Plan will permit the six pharmaceutical factories which belong to the pharmaceutical industry association to retain 20 percent of their dollar-accounting sales receipts and use them for development. Investments will be made chiefly on the plants of the existing enterprises until 1985. Plans call for construction of a new factory during the Seventh Five-Year Plan. Investments will be split: 30 percent for construction and 60 percent for equipment in such a way as to permit flexible adjustment to market demand. As a result of these outlays, the technology of the pharmaceutical industry will be reconstructed during this period.

The development funds formed at the enterprises concerned plus bank credits will serve as cover for investments to promote production of plant protective agents and intermediaries. During the Sixth Five-Year Plan a total of 10 new plant protective agent plants and 12 new intermediary producing plants will be established. During the current medium-term plan, investment of two intermediary plants will begin. During the Seventh Five-Year Plan 10 intermediary producing plants will be built; they will use a higher level of technology than in the past thereby guaranteeing exportability of their products.

The program attributes great importance to broader research aimed at developing original preparations. Many measures, reconstruction of research sites and their enlargement will make available the funds needed to double or triple per capita research equipment and instrumentation. The funds required to achieve this will come from central supports, budgetary allocation and enterprise resources. The "centralized" part of the enterprises' technical development fund must also be used for this purpose. The central development program has ensured establishment of the necessary background for the proposed development by calling for improvement in production of ampuls and chemical industry machinery.

New sales methods are to be adopted for all parts of the world. Varying marketing formats will be needed such as production and sales cooperation, establishment of joint enterprises, export of complete factories, establishment of permanent sales offices and use of traveling salesmen.

As a result of all the foregoing, the pharmaceutical industry will increase 2.5 fold in 10 years; ruble-accounting exports will double, while exports to capitalist countries will amount to virtually four times the present. This can be achieved by significantly increasing the ratio of original preparations in both exports and production. Production of plant protective preparations is to be 3.6-fold at the present. Here, too, original products are to play an important role. As the result of increased production of intermediaries, a 12.5-fold increase in production is anticipated. This will permit this branch of the industry to increase capitalist exports significantly.

Realization of the goals of the central development program in the three branches of production will terminate the current negative dollar balance of said branches. A moderate positive balance is expected even during the Sixth Five-Year Plan; during the Seventh Five-Year Plan said positive balance will grow considerably.

CSO: 2500

HUNGARY

PROVISIONS OF NEW HOUSING CODE EXPLAINED

Budapest NEPSZABADSAG in Hungarian 14 Dec 80 p 16

[Article by K.D.: "What Is in the New Housing Code?"]

[Text] The cabinet adopted wide-ranging measures to facilitate housing construction, management and swapping of apartments. The decrees concerning increased construction support, management and swapping of apartments have been published in the 10 December issue of MAGYAR KOZLONY.

The new provisions settle a number of controversial questions such as: who should bear the costs associated with empty apartments, who may continue the rental agreement when a tenant dies, etc.

Differentiated Apartment Occupancy Fees

The decrees stipulate that the basic requirement is to include organized apartment swapping in the housing management function of local councils. Councils must establish a swap fund consisting of newly constructed or vacant housing units. One new feature of the decrees dealing with apartment swaps is the provision whereby a renter requesting a smaller unit in exchange for his present multi-room apartment will receive a sum equal to twice the occupancy fee of the council flat to be vacated while, of course, the tenant will pay the fee for the smaller apartment only once. If the tenant is not requesting another council flat then the council will pay an amount three times as large as the occupancy fee.

Occupancy fees have been regulated once again in a differentiated manner. The new fees will become effective on 1 July 1981. The amounts were set, depending on the amenities, size and location of the apartment, as follows:

Amenities and size of apartment, with number of rooms	Location Capital and cities with megye status	Towns and special communities	Villages
Fully equipped		(1,000 forints)	
1	36	30	24
2	56	48	40
3	76	66	56

[Table continued on following page]

		Location	
Amenities and size of apartment, with number of rooms	Capital and cities with megye status	Towns and special communities	Villages
Improved		(1,000 forints)	
1	28	24	20
2	44	38	32
3	60	52	44
Semi-improved			
1	14	12	10
2	22	19	16
3	30	26	22
Without amenities			
1	11	9	7
2	16	14	12
3	21	19	17

The decree says that occupancy fees for apartments with more than 3 rooms must be increased by the following amount for each room:

		Amenities		
Location	Fully equipped	Improved	Semi-improved	Without amenities
			(1,000 forints)	
Budapest and cities with megye status	20	16	8	5
Cities and special communities	18	14	7	5
Villages	16	12	6	5

As the amounts show, occupancy fees will in the future better reflect the differences in the use value of apartments. In cases where apartments are in disrepair or their equipment is deficient, the occupancy fee may be reduced by larger amounts than in the past: the amount of reductions may reach 50 percent.

Social Policy Preferences

Social policy preferences amounting to 20-25 percent for each child or dependent will be preserved in line with our social policy objectives. Councils will still be able to waive occupancy fees for families with 3 or more children; alternatively, occupancy fees may be paid in installments. The payment period was increased from 5 years to 10 years.

The new decrees give a precise definition of the persons that are to be considered dependents: natural, adoptive or foster children under the age of 16; or over 16 and under 25 pursuing full-time studies at an academic institution; children over 16 who have lost at least two thirds of their work ability as a result of a physical or mental disability or illness, if the condition has persisted for a year or is unlikely to disappear within a year. Dependents include a spouse receiving child care support or taking care of at least 2 children within the household who are entitled to family supplements or are disabled, requiring full-time care. Dependents also include spouses over retirement age as well as parents, grandparents and siblings of married couples provided that they reached retirement age or lost at least two thirds of their work ability. Dependents must have lived in the same household with the persons claiming them as dependents for a least a year.

Credits and Installments

The new decrees also settle financial questions related to housing construction. Apartments sold by councils (cooperative apartments) were sold at list prices. The difference between real cost and the sale price came out of the council budget. These supports were not visible to the general population. In many cases, the purchaser was not even aware of the existence of such supports complementing social policy and other subsidies. Starting from 1 July 1981, the purchase price of cooperative apartments will be set by the councils on the basis of average local costs, while the state will provide, through the savings bank, state support to facilitate purchase of an amount to be published. This change is intended to promote more judicious sharing of burdens (including commensurability with cash outlays for rental apartments and apartments built or purchased using workers' preferences) and to ensure that supports are subject to central planning.

The down payment is now 20 percent of the purchase price, after reductions for social policy preferences and state support, instead of 12 percent in the past. The state will provide a long term loan at 1 percent annual interest spread out over 35 years to finance the remaining sum.

The financial conditions applying to multi-story private apartments in a clustered setting will not change.

The financial conditions applying to detached multi-story housing construction will not change. There will be improvements in the financial opportunities affecting modern, clustered family home development construction. A down payment equal to 30 percent of the construction cost minus any social policy preference must be paid in advance; up to 70 percent of the construction cost may be financed from a 30 year, 3 percent loan.

In the sphere of traditional single family housing construction there will be a decrease in differentiation among loans. In accordance with urban development objectives, the ceiling for construction loans will be increased to approximately 60 percent of construction costs in about 400 to 420 communities within the country. In other localities, the loan ceiling is 50 percent of construction costs. One novelty is that builders who use one of the so-called recommended designs may receive loans that are 10 percent higher than the loan ceiling applicable otherwise. Worker's families and families with many children must be given preference in evaluating family home construction loan applications.

One of the favorable changes in the area of financial conditions is the increased flexibility to set repayment schedules in line with individual situations. Thus, in the future it will be possible to sign contracts specifying lower payments in the beginning, increasing gradually to higher levels; or initial high payments followed by a uniform repayment schedule. For example, monthly payments may be reduced by 20 percent in the first 5 years for families with 3 or more children. One novelty is that young married couples and families with 3 or more children may receive a 5 year, 50,000 forint loan at an annual 8 percent interest to cover the down payment.

The new decrees also include family dwellings within the scope of repayment preferences.

In the interest of more secure family planning and encouraging families with several generations sharing a home, the earlier limitations on the number of rooms in apartments supported by loans will be abolished.

Workers were able to receive apartment construction or purchase support from state enterprises in 60 communities. In the future, such preferences will be graudally extended to cover approximately 400 to 420 cities and communities. The scope of employer support for apartment construction will also, expand. In the future, applicants may receive loans from their employer to purchase apartments sold by councils, to turn rooms not presently used for habitation into living space and to purchase so-called vacant family dwellings.

Provisions concerning the swapping and sale of privately owned apartments have also been modified in order to accelerate apartment swapping and encourage gradual apartment swapping in line with current requirements. The restriction whereby the OTP [National Savings Bank] only bought back private apartments will be abolished. There has been another restriction whereby certain privately owned apartments could not be sold to OTP until at least 5 years after purchase. A new feature states that privately owned apartments may be swapped for council rental units without any time limitation.

Apartment purchase fees have been reduced from 17 percent at present to 12 percent. This change is likely to contribute to increased apartment turnover. The reduction in the amount of the fee applies both to purchases and swaps. In cases where privately owned apartments are swapped, the asset transfer tax will be computed on the basis of the difference between the value of the two apartments and not the full value of the apartment to be purchased. The amount of the tax will be reduced from 17 percent to 12 percent, effective 1 January.

For those intending to swap their council rental unit for a privately owned apartment, the tax is only 7 percent of the market value of the new apartment. The same applies to cases where someone purchases an apartment from OTP within the framework of an organized project. In these cases, the buyer may pay the tax in 12 equal monthly installments without supplementary tax.

9164
CSO: 2500

MINISTER DISCUSSES RAW MATERIALS, FUEL PRODUCTION

Bucharest ROMANIA LIBERA in Romanian 28, 31 Jan 81

[Interview with Virgil Trofin, deputy prime minister of the government and minister of mines, petroleum and geology, by M. Radian, place and date unknown: "Sustained Efforts to Provide a Base of Raw Materials and Fuels for the Country"]

[28 Jan 81, pp 1, 5]

[Text] [Question] To begin with, we would ask you, comrade deputy prime minister, to tell us what the 1976-1980 five year plan meant for the extraction industry. What was the strategy, the fundamental concept in the policy of this branch?

[Answer] As the principal producer of energy resources and mineral raw materials essential to the normal operations of activities in all the branches of the national economy, in the 1976-1980 five year plan the extraction industry had important tasks, in which the workers in this industry made special efforts. These efforts were supported in a practical sense by the entire nation if we also keep in mind the fact that during this period, in order to develop the raw materials base and provide equipment of high efficiency, investments were made in the extraction industry amounting to 71 billion lei from state funds and 175 new production facilities in the coal, crude oil, and metallic and non-metallic ores sector were put into operations.

Working according to the views of our party leadership and comrade Nicolae Ceausescu personally, who early recognized the phenomena of the energy crisis that was to effect the world economy beginning in 1973, and in order to avoid the excessive use of petroleum and gas, with limited and exhaustible energy sources, the prinicpal orientation during this five year plan was towards continuing the more accentuated planned growth in the production of interior fuels, the extraction of which increased in 1980 by 37.1 percent compared to the achievements in 1975.

At the same time, in order to provide domestic raw materials and limit imports, stress was placed upon the development of washed coking coal production, with the increase for this coal in 1980 being 52.7 percent compared to 1975.

In the area of non-ferrous ores, keeping in mind that our country does not have large deposits of these ores having a useful content, we moved into using ore deposits having a more reduced level of metal content, in accordance with the directives issued by our party and state.

At the same time, there was an increase in drilling projects, primarily those going down to great depths, and efforts to discover new crude oil reserves. Concomitantly, measures were applied to increase the degree of recovery of crude oil from deposits and to increase production from known and newly-discovered oil wells, and intensive activities were continued in searching for oil on the continental shelf of the Black Sea.

[Question] How is this branch closing out the year and the five year plan? How did it fulfill its basic indicators? Our readers would be interested in knowing the progress that has been made, both with regards to the volume of production and changes in its structure.

[Answer] In the 1976-1980 period, the volume of total industrial production was two billion lei above the planned level for the same period.

In physical production, important increases were recorded compared to the 1975 base year for the five year plan, providing the national economy, in the last year, 1980, increased amounts of fuels and raw materials: in net coal production, over 8 million tons; in copper concentrates, 2,640 tons; bauxite, 11,700 tons; prepared graphite, 3,972 tons; prepared kaolin, 37,310 tons; prepared feldspar, 8,300 tons; prepared chalk, 100,200 tons; prepared dolomite, 520,200 tons; refractory clay, 85.800 tons; quartz sands, 467,800 tons; limestone, 2,007,300 tons; salt, 1,358,700 tons and so forth.

In 1980, each worker in the extraction industry contributed to a production surplus of 7,400 lei compared to the 1975 amount. In physical productivity, there were more significant increases in underground lignite production, over 21 percent; in coking coal, 3 percent; in non-ferrous ores, 15 percent, and so forth. In this line of thinking, I can mention the positive results obtained by the miners in the Jiu Valley, Anina, Motru, Comanesti and the Suceava basin, and by the units belonging to the mining centrals in Baia Mare and Deva, the Cluj Mining Combine and the petroleum workers in Moinesti.

I must point out, however, that despite all progress made from one year to the next in increasing production, we did not succeed in completely fulfilling the plan for certain basic products. In the last year of the five year plan, for example, the plan for lignite was not achieved by over 17 million tons. In the Oltenia coal basin, where a powerful group of miners and specialists are working, although production increased by 2.2 million tons compared to 1979, the plan was not fully met. In the petroleum and gas sector, special efforts were made and important amounts of supplimentary production were achieved in natural gas and gasoline, but the crude oil plan was not fulfilled.

[Question] What more notable results were obtained along the lines of broadening the mineral raw materials and energy resource base itself? In this context, we would appreciate it if you would say something about the progress made in using mineral reserves that have a poorer useful amount of mineral content.

[Answer] The 11th and 12th Party Congresses established special tasks for the extraction industry and especially for the coal industry. Among the types of coal, the production of lignite has the most important part in achieving this task.

In the 1976-1980 five year plan, geological research projects were carried out all across the country, both to extend existing deposits and to look at new areas, such as: Cojmanesti, Urdari, Rosiuta II, Amaradia-Tiriia-Cernisoara, Schitu Goiesti-extension and Sfintu Gheorghe-Arcus. For this, three times more projects were carried out than during the 1971-1975 five year plan, with the volume of reserves increasing by approximately 150 million tons.

With regards to broadening the mineral raw materials base itself, a number of scientific research programs were drawn up to look into raw material resources, such as alluvial sands containing titanium and zirconium, certain deposits containing iron, titanium, vanadium, concentrates for molybdenium, waste rock containing tungsten and alumina from Ohaba Ponor.

For the poor copper ores from Moldova Noua and Rosia Poieni, preparation technology was studied so as to achieve a complex use of these ores and to accomplish a higher level of metal extraction and lower preparation costs. Thus, we have pursued the use of all useful mineral substances (copper, sulphur, molybdenium, iron) with a level of metal extraction of over 75 percent and the reduction of preparation costs through the application of the collective-selective floatation method with a recrushing of the collective concentrate, as well as the use, for the first time in Romania, of certain high capacity technological lines (25,00-30,000 tons of ore per day) using autogenous crushers with a diameter of nine meters and floatation cells with a capacity of 5.7 and 17 cubic meters.

The technologies that were established have permited the elaboration of technical-economic documents for the complex use of the deposits in Moldova Noua and Rosia Poieni,for which production capacities of 9 million and 15 million tons per year, respectively, are forecast.

In conclusion, we can say that, as a result of the efforts made, in the five year plan that we have just completed, the extraction of copper and polymetallic ores recorded significant increases: compared to 1975, there was an increase of 11.9 percent for copper ores and 14.3 percent for complex ores. More significant increases in ore extraction were recorded at the mines at Baia Borsa (25 percent) Rodna (57.9 percent), Ilba (42.4 percent), Herja (19 percent) and Cavniv (12 percent).

Similarly, in the non-metallic ores sector, production increased for refractory clays by 22.1 percent, for quartz sands for the machine building industry and the glass industry by 30.2 percent, for prepared kaolin by 40 percent and for limestone for the metallurgical industry, chemical industry and sugar production by 54.6 percent.

Work is in the advanced stage for starting operations at the sulphur deposit in the Caliman Mountains, where, in 1981, the first quantities of sulphur concentrate will be produced, while in the coming period production is to increase at a sustained rate.

[Question] What was the evolution of technical-scientific progress in this branch? At what level do you think the technologies are? Which ones are more notable?

[Answer] The efforts made in the field of technological research and the introduction of technical progress have made it possible to improve technologies and extend mechanization from one year to the next. In this regard, I could mention that the extraction of coal from the coal face using mechanized cutting and support equipment, built at the level of world technology, increased in 1980 to 12.5 million tons compared to 6.1 millions in 1976. Likewise, the quantity of coal extracted by using mechanized cutting and loading technologies at the coal face increased in 1980 to 13.6 million tons compared to 7.9 million tons in 1976 (an increase of 72.2 percent), while the extraction of lignite in galleries having integrated mechanized equipment increased in 1980 to 10.3 million tons compared to 7.1 million tons in 1976 (an increase of 45.1 percent). Last year, the extraction of non-ferrous ores by using higher productivity extraction methods reached 9.1 million tons, or 85.7 percent of the total amount of mined non-ferrous ores, and the production of crude oil as a result of applying methods and means to increase the recovery factor increased, compared to the total production of crude, from 15 percent in 1975 to 26 percent at the end of 1980.

Deposits of hydrocarbons were found on the continental shelf off Romania in the Black Sea as a result of applying offshore drilling technologies and equipment built in Romania. By reducing energy consumption per ton of gasoline produced, as a result of improving technologies to de-gasolinize gases, we obtained a reduction in the cost of gasoline of 1,450 lei per ton, a reduction of the land surface area used in this process by 4.2 hectares and the reduction of the amount of electricity consumed by 126 KWH per ton of gasoline. Finally, I must mention the development of tertiary recovery methods for crude oil deposits (the injection of polymers, mineral solutions, alkalines, carbon dioxide and so forth, the elaboration of biological methods and mining methods), the elaboration and development of balanced drilling technologies, deep drilling technology and the elaboration of technologies for the use of petroleum-bearing sands.

The results obtained along the lines of introducing technical progress were possible due to the equipping of the extraction industry with modern, high productivity equipment, a process carried out on the basis of a broad mechanization program approved by the top party and state leadership. In acquiring the necessary equipment, in addition to using the experience and intelligence of the workers in our country, a series of equipment was also imported from producers of worldwide prestige. This equipment was used experimentally and, depending upon the results obtained under the specific conditions in our country, served as reference models for items that were later produced.

Among the most important achievements with regards to equipment produced in the 1976-1980 period in the coal sector, I can mention five types of mechanized support equipment, two types of coal face combines, two types of excavators, and two types of extraction machines. In the petroleum and gas sector, there were two types of medium- and deep-drilling installations using electric power from the electrical network, a diesel-electric drilling installation, offshore geological research drilling platforms, heat-treated and forged heavy drilling pipe, and powered drill-hole cementing equipment rated at 700-1,050 atmospheres of pressure.

In conclusion, we can state that the technologies that are currently being applied in the extraction industry and the mining and petroleum branches are at the level of world technology.

The long-front exploitation methods in the coal mines, like, for example, in the Oltenia coal basin, are being expanded to the vast majority of thecoal faces, with cutting and transporting being completely mechanized using the most advanced equipment.

[Question] What results have been obtained along the lines of increasing the economic efficiency of the branch to reduce production costs, especially costs for materials, energy and fuels?

[Answer] The evolution of specific consumption for electricity and fuels in the 1976-1980 period is positive. Thus, in 1980 we extracted 1,000 tons of coal from underground using only 21 MWH compared to 23.07 MWH consumed in 1976. We are using 5.16 MWH to extract 1,000 tons of crude oil compared to 5.84 MWH in 1976, while to process 1,000 tons of non-ferrous ores we are now consuming 32.3 MWH compared to the 33.42 MWH in 1976. The same positive evolution is also being recorded in the specific consumption of fuels.

As a total consumption indicator reported against the value of total production, the 1980 achievement is 89.19 percent of that of 1976.

The economic efficiency of the branch is influenced by the status of the deposits. There has been an increase in the depths at which we are exploiting crude oil, coal and ores. At the same time, in some cases, there has been a decline in the relationship between useful ores and waste rock. All this has led to a growth in production costs. Due to the efforts made by the units, however, on the basis of certain programs of measures that were established, there has been a noticeable decrease in some consumption areas.

Returning to the problem of economic efficiency, I must point out that for a fair appreciation of this problem in the extraction industry, production costs must be analyzed not only in comparison with the prices of domestic delivery, but also with current prices practiced on the world market, where, in some cases, they are much greater, with each ton of raw materials additionally extracted meaning fewer imports. Because of the above-mentioned influences and the prices for production and domestic delivery that have not been modified, the enterprises in the crude oil and coal branches and some ore extraction units have worked until now with subsidies from the state budget, although compared to the prices on the world market the efficiency for the crude oil is very good and for the coal satisfactory. This situation confirms the need for the recent Law approved by the Grand National Assembly regarding the updating of prices, ensuring the profitability of the branch through a more objective placement of the profit level between the extraction industry and that of the raw materials and fuels consuming or processing indsutries.

[Question] What has been done along the lines of expanding actions to recover and use secondary materials and waste materials?

[Answer] The Program for Collecting and Using Secondary and Waste Materials for the Period 1977-1980 was drawn up, a program approved by the Permanent Bureau of the Political Executive Committee of the Romanian Communist Party's Central Committee.

The following are the more important achievements in this action:

For the period 1981-1985, an improved program has been drawn up to use waste dumps at the mines, waste rock from the decanting ponds at processing plants, slag from non-ferrous industry and other resources so that in this five year plan we will reach a high point in using these materials: mine waste dumps, 4,036,000 tons equalling 530.7 million lei; waste rock from decanting ponds equalling 5,642,000 tons or 207.7 million lei; slag from the metallurgical industry, 934,000 tons equalling 205.2 million lei.

Material	Unit of Measure	1977	1978	1979	1980 Three Quarters
Copper in concentrate	tons	1,093	1,325	1,290	1,400
Lead and zinc in concentrate	tons	180	490	460	2,525
Iron in concentrate	tons	7,635	6,565	5,222	4,800
Barium, dolomite, bentonite, quartz sand	tons	43,800	49,600	42,500	131,000
Precious metals	1,000 lei	34,287	33,536	36,600	28,300

[31 Jan 81, pp 1, 5]

[Text] [Question] In a previous issue, we had the first part of an interview with comrade Virgil Trofin, deputy prime minister of the government and minister of mines, petroleum and geology. In this issue, we present the second part .of the interview.

What are the directions, options and principal trends in the extraction industry in the 1981-1985 five year plan?

[Answer] Referring to the economic-social development of Romania in the 1981-1985 five year plan, the Directives of the 12th Congress of the Romanian Communist Party call for special tasks for the extraction industry for the purpose of continuing to fulfill the provisions of the party's Program for building a multilaterally developed socialist society and advancing the country towards communism.

Among the principal orientations, options and trends of this important sector of our industry, I would, first of all, list the increase in geological research for the purpose of having a more accentuated increase in the reserves of discovered useable reserves, especially for hydrocarbons where the stress will be placed upon deep drilling, on accelerating research on the Black Sea continental shelf and on the increase in the recovery factor for reserves in deposits. At the same time, geological projects will be extended for coal, ferrous ores, non-ferrous ores (including those with a lower metal content), rare and dispersed metals, non-metallic substances and so forth. Also, there will be a development of coal extraction and bituminous shale extraction at higher rates.

In 1985, the net production of coal will be 2.5 times greater than that in 1980 and the production of bituminous shale will reach and annual rate of 15-16.5 million tons, providing a supply of these fuel to the great thermal power station at Anina. Increased attention will be given to the production of coking coal and semi-coking coal, which, compared to 1980, will increase 2.4 times over.

Another important trend is the restriction of the use of crude oil and gas in burning processes, for which production will not increase compared to current levels in order to maintain a normal level of geological reserves. For the purpose of increasing the flow from the wells in use, we will continue to place stress on increasing the recovery factor for the crude oil in deposits, which, in 1985, is to reach 37 percent compared to 31.5 percent in 1979.

The production of non-ferrous mineral ores will increase, especially those with a poor copper content. Compared to 1980, the amount of non-ferrous mineral ores that will be extracted in the last year of this five year plan will be 2.5 times greater, with copper ores 4 times greater, through the development of the mines at Moldova Noua and Rosia Poieni. New iron ore deposits will be put into operation for a 1.2 times greater production in 1985 than in 1980. Finally, I would mention the orientation towards the development of non-metallic substance production to meet the requirements of the national economy, principally in sulphur, kaolin, bentonite and graphite.

[Question] What can you tell us with regards to the 1981 plan provisions and the future prospects for their complete fulfillment? What are the principal objectives of the ministry? What new deposits will be put into use?

[Answer] The plan provisions for 1981, the first year of the 1981-1985 five year plan, are especially mobilizing in the units of the extraction industry and for geological activity.

For physical production, important increase are foreseen compared to the achievements of 1980: for coal, total net production will be 44.6 percent greater, of which coking coal will represent 9.7 percent and lignite and brown coal will represent 55 percent; for extracted crude oil, the increase will be 9.2 percent; for natural gas, 5 percent; for gasoline, we foresee an increase of 7.4 percent; for electrolitic copper, 10.4 percent; for lead and zinc, 13.9 percent and 8.9 percent, respectively; for washed sand, 11 percent; for kaolin, 12.5 percent; for refractory clay, 10.9 percent. Finally, for pyrite, bauxite and sulphuric acid increases of 21.6 percent, 10 percent and 8.1 percent, respectively, are foreseen.

Net production will increase in 1981 by 8.0 percent compared to 1980, exceeding the percentage of growth of total production, which is 4.4 percent. Labor productivity calculated in net production also represents an increase of 4.9 percent for the ministry.

With regards to the prospects of attaining all these objectives, I can tell you that in the general meetings organized within the units in order to discuss the plan tasks specific measures were established at the level of the centrals, enterprises and sections that will ensure the conditions to fulfill all the plan indicators.

In order to ensure the achievement of the production levels outlined in the plan, programs of measures were also drawn up by product type: crude oil, lignite and coking coal, non-ferrous and ferrous ores, and non-metallic minerals. Similarly, programs were drawn up to accelerate prospecting and geological exploration and to provide the capacities to transport gases via pipelines.

During the discussions of the 1981 plan indicators in the leadership council of the ministry, a series of measures was established containing tasks and timeframes for fulfillment, among which I would mention: improving the quality of extracted brute coking coal for the purpose of increasing the efficiency of washing and regularly achieving production for coking coal and semi-coking coal; creating conditions for increasing the rate of advance at the coal face and achieving physical labor productivity in coal enterprises; ensuring conditions for improving the level of use of the main equipment underground and on the surface at coal units at the level outlined in the plan; stressing projects for the start-up and ensuring work conditions at galleries in the Banat and at the preparatory installations at the Moldova Noua Mining Enterprise; increasing the rate of work at the projects for preparing and opening the Baia Borsa Mining Enterprise so as to ensure the start-up of certain new areas at the Burloaia and Gura Baii mines, beginning with the first quarter of 1981; achieving the program of measures for the start-up of the sulphur facilities at Caliman for the purpose of creating the conditions to produce sulphur in concentrate form; finishing the projects at the kaolin preparation installation at Parva, speeding up the projects for the start-up of the refractory clay washing installation at Sunculus and achieving the rate of uncovering work at the Aghires quarry, thus ensuring the quality of the products at the level requested; completing the construction and assembly projects and installations at the Copsa Mica Non-ferrous Metals Metallurgical Enterprise so that production can begin on the electrolysis of lead, as well as at the electrolitic manganese dioxide installation at the Baia Mare Non-ferrous Metals Metallurgical Enterprise.

With regards to petroleum production, we are directing ourselves towards the full use of wells in production by reducing to a greater degree the number of wells out of production and which are awaiting crews or start-up. Similarly, a 10 percent increase is foreseen in the number of geological-technological operations to increase the flow of crude oil in wells. Moreover, in order to achieve the crude oil production plan we are also calling for the shortening of the timeframes for putting wells finished with drilling into production, the increase of the coefficient of well use up to .96, the creation of new teams for starting up production, making capital repairs and performing well maintenance by reassigning indirectly productive workers, the increase in the working speed of well drilling by eliminating delays stemming from organizational causes, the reduction of non-productive time and so forth.

[Question] You will, thus, also have a rich investment activity. Have conditions been created so that they are carried out in accordance with the new provisions of the law on investments?

[Answer] We are saying that these conditions have, to a large degree, been created. Measures were taken that will ensure the continuity of the projects underway and the beginning of the projects outlined in the plan. Of the total volume of construction and assembly outlined for 1981, 91 percent have construction designs and they have been turned over to the builders, and 82.1 percent of the building details have been provided.

I would like to emphasize that the plan figures for 1981 were discussed in detail with the leaderships of all the centrals and they correspond to the tasks established by the 12th Party Congress and the directives received from the party and state leadership. All the indicators have a real basis, especially those for physical production. They are, therefore, fully achievable.

The principal objectives of the ministry are especially directed towards the achievement of investments and the start up of all the production facilities outlined in the plan; the supply of equipment and machinery to the units in accordance with the state plan; the selection and training of the work force; the higher use of all resources, the more accentuated increase in labor productivity and economic efficiency, and the application of the new economic mechanism under the best conditions.

At the same time, we will work on the basis of the tasks outlined by the secretary general of the party, comrade Nicolae Ceausescu, to achieve the special program, on the basis of which a large number of people and means from outside the ministry will be used to recoup shortfalls, especially in uncovering operations in the Oltenia coal basin.

Likewise, priority will be given to achieving the other special programs which deal with drilling at great depths, increasing the crude oil recovery factor and intensifying geological research projects for the purpose of discovering new oil, gas and other useful mineral deposits.

During 1981, some deposits will be put into exploitation that will contribute to the growth of the level of production. Among these we can include: the sulphur deposit in the Caliman Mountains with a capacity of 60,000 tons per year of sulphur concentrate; the lignite deposit in Mehedinti County: Prunisor-Izvorul Anestilor with a capacity of 150,000 tons per year and Husnicioara with a capacity of 490,000 tons per year; and, the bituminous shale deposit at Anina with a capacity of 500,000 tons per year.

In addition to these deposits, production capacity development is also foreseen for types of coal, non-ferrous mineral ores, iron and non-metallic ores which will ensure the production growth outlined in the plan.

[Question] What are the most interesting elements, facets and successful experiences that you are thinking about spreading? What are the deficiencies that must be eliminated?

[Answer] In the coal mining sector, the extension of underground cutting, supporting and transporting technologies using mechanized equipment constitutes one of the successful facets. Similarly, by extending mechanized cutting and loading to advancement work on the coal face, we increase the rate of advance and shorten the time needed to open and prepare coal deposits.

In the minerals sector, we have extended high productivity mining methods, such as: the slice storage mining method, especially at the Baia Mare Central for Non-ferrous Minerals and Metallurgy where this method represents approximately 40 percent of the total production; the sub-stage and undercutting method, especially used at the Deva Minerals Central where it represents approximately 60 percent of the total production. By applying these mining methods, the labor productivity achieved is between 5 and 14 tons per post, compared to the other methods where the productivity is up to 5 tons per post. For the immediate future, the concerns of the specialists are directed towards improving the banking mining method, a method where, in some mines, the level of productivity is very low, of 1.5 to 2.5 tons per post.

In the petroleum sector, among the most productive technologies being employed in recent times and which are to be introduced into or expanded into production beginning in 1981, I should mention: submersible and hydraulic centrifugal pumps; optimizing the deep well drilling process and thermal methods for recovery crude oil from deposits; tertiary methods of recovering crude oil from deposits (injected water containing polymers, mineral solutions, alkalines, carbon dioxide and so forth).

The extension and efficiency of the application of these technologies also depends upon the quality and promptness of the deliveries of certain equipment, devices and specific products from the Ministry of the Machine Building Industry, the Ministry of Metallurgical Industry and the Ministry of the Chemical Industry.

[Question] Because we have reached this point, I would like you to tell us what you expect from the collaborating branches? To what degree do you depend upon this collaboration? We ask you to list the enterprises, or the principal products, where you expect a more responsible attitude in adhering to contractual committments.

[Answer] The supply of equipment necessary to the extraction industry has been carried out and will be carried out in close cooperation with the Ministry of the Machine Building Industry and its units on the basis of the equipment and mechanization program.

In the 1978-1980 period, the action to assimilated and start production on certain equipment of great importance to the mining and petroleum industry was completed, of which I can mention: new types of coal face equipment and combines, advancing combines, drilling installations, rotor-cup excavators, waste removal machinery, high capacity cup excavators, heavy dump trucks, extraction machinery, high capacity minerals crushers, electric-powered deep drilling installations and diesel-electric-powered installations, forged and and heat-treated heavy drill pipe and others.

In addition to the good results obtained in the field of machine building, there have also been some shortcomings and difficulties due to the delays on the part of units of the Ministry of the Macnine Building Industry in producing and delivering certain necessary equipment outlined in the equipment and mechanization program for 1978-1980. Compared to the provisions in the equipment and mechanization program, there are delays in starting production and delivering certain equipment, such as: high pressure hydraulic powered equipment, rock drilling equipment, storage loaders with a .5 cubic meter cup, trenching machinery for drainage in quarries, axial mine ventilators for general ventilation, 30 to 35 ton structural drilling installations, installations and tools for low pressure drilling, tongs for screwing and unscrewing pump rods, twin elevator maneuvering devices and others.

It is also worth noting as a more unusual problem the poor quality of rubber products (rubber mats for transporters, vehicle tires, compressed air hoses, protective boots and clothing and so forth). Similarly, because of the increase in the volume of the minerals that will be processed in floatation installations ever greater quantities of reagents will be required, reagents that are obtained through imports. The Ministry of the Chemical Industry will have to assimilate and increase as fast as possible production of reagents.

Finally, I want to mention that a powerful group of miners, petroleum workers and geologists are working in the extraction industry, who are profoundly attached to the policies of our party and state and committed to make every effort to honorably fulfill the tasks entrusted to them by the party. Moreover, the first results obtained in 1981, which are better than last year, demonstrate their decision to do everything to supply as much as possible to meet the needs of the economy for mineral raw materials and fuels from domestic resources, in accordance with the program drawn up by the 12th Congress of the Romanian Communist Party.

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YUGOSLAVIA

ECONOMIC RESULTS FOR 1980 SURVEYED

Belgrade EKONOMSKA POLITIKA 19 Feb 81 pp 28-29

[Article: "Slowdown"]

[Text] The basic characteristics of the Yugoslav economy last year were as follows: A sudden slowdown in economic activity tempo, accompanied by difficulties on the market and a high inflation rate, on one hand, and the halting of the long-range trend of rapid growth of all forms of consumption, considerable increase in export volume, and a reduction of import volume, on the other hand.

As the Federal Institute for Statistics informs us (most of the data are estimates), social production in 1980 increased 2.5 percent relative to 1979 (constant prices, 1972 base), which is a sharp slowdown of economic growth--during the 3 previous years, the social product increased by 7-8 percent per annum. The average annual growth rate of social product for 1976-80 was 5.6 percent. Overall labor productivity fell about 0.5 percent in 1980, while growing 2 percent in industry (5.7 percent in 1977; 5.3 percent in 1978; and 4.2 percent in 1979).

Compared to 1979, last year's personal consumption rose 1.3 percent, whereas during the previous 4 years, its growth varied between 4.4 and 7 percent, and the average annual consumption growth rate for the 1976-1980 period was 5.1 percent. Material expenditures in general and community consumption rose 1 percent last year as compared to the year before. Since the annual growth rate fell from 9.5 percent in 1976 to 4.5 percent in 1979, the average for the 1976-1980 period amounts to 5.8 percent. Investments in fixed assets carried out last year relative to 1979 grew no more than 1 percent; during the 4 preceding years, that growth varied between 7 and 10.5 percent, and the average annual rate during the 5-year period was 6.9 percent.

Savings deposits by the citizenry increased only 8.7 percent as compared to 1979 (primarily as a result of the drop in real personal income). The average annual growth rate of savings deposits for the 5-year period is 25.8 percent. Foreign-exchange deposits for the 5-year period is 25.8 percent. Foreign-exchange deposits of citizens increased 68.6 percent (in terms of dinars), which is above the 5-year growth average of 46.3 percent, but this growth occurred mainly because of the change in the dinar exchange rate. The growth in consumer credit has been drastically lowered--by 2.9 percent. The 5-year average growth rate is 25.4 percent (71.9 percent in 1976 and 10.8 percent in 1979). Credits for housing construction grew 53.5 percent, which is above the 41.1-percent average annual growth for the 5-year period.

The financial assets of economic organizations rose 41.4 percent last year as compared with 1979 (the average 5-year growth was 32.6 percent). Credits for investments in fixed assets increased 29.3 percent (average rate 24.5 percent. and credits in working capital by 28.9 percent (average rate of 24.6 percent).

Monetary holdings increased 24.4 percent, whereas, the 5-year average rate was 28.6 percent.

Employment, Personal Incomes, General and Community Consumption

The 1980 employment growth rate as compared in 1979 amounted to 3 percent according to preliminary data, and the total number of employed persons reached 5,786,000. The annual percent increase which is lower than usual, is the result of lower true rates both in the economy and in noneconomic activities (3.1 percent and 2.4 percent), whereas a significant relative increase in the number of persons employed was attained only in the private ownership sector (6.4 percent). By activities, higher rates than the average show up in financial and other services (7.1 percent), trades and crafts (4.4 percent), trade (4.1 percent) and health and social care (4 percent). whereas, on the other hand, the number of workers in forestry and water management remained on the 1979 level. The number of trainees hired in 1980 was 10.6 percent less than the year before.

The average number of persons seeking employment during 1980 amounted to 787,000 which is 3.3 percent above the 1979 level (8.6 percent more skilled workers, and 0.4 percent less unskilled workers, along with 5.1 percent more first-time job seekers).

The average net personal income in 1980, according to estimates based on the first 9 months, amounted to 7,310 dinars, which is 19.6 percent higher than the previous year's level (7,100 dinars with a growth rate of 19.8 percent in the economy, and 8,410 dinars with a 18.7 growth rate in the noneconomic sector. A considerably greater nominal wage increase was effected in forestry (23.2 percent), trades and crafts (22.3 percent), and education and culture (22 percent), but the first two activities continue to be in the group of those paying the lowest personal incomes. The highest average wages, even during last year, were received by those employed in the area of financial and other services, (8,194 dinars), along with an above-average growth rate of 20.2 percent.

Last year, real personal incomes went down 8.1 percent (7.9 percent in the economy; 8.8 percent in the noneconomic sector), and their level approximated that of 1975, the first year of the past 5-year period, and was considerably below the level of the other years.

Total social revenues from taxes and contributions realized during the January-October period were 25 percent higher than the amount realized in 1979. An identical growth rate is also enjoyed by revenues earmarked for the SIC [Self-Managed Interest Communities] of social activities, which, anyway, compromise nearly 50 percent of the total amount. Revenues of sociopolitical communities have been raised 20 percent, whereas the sum allocated for the [federal] funds is higher than 39 percent. A considerable increase has been realized in allocations on the basis of tax on trade and contributions for pension and disability insurance (29 percent for each), whereas revenues from duties have dropped (a 4-percent total increase).

Prices

Production prices for industrial products were increased (according to estimates) by 27 percent (one average against the other) last year as compared with the year before, as follows: capital goods--12 percent, producer goods--34 percent; consumer goods--21 percent, and other items--24 percent. The highest price increase was 105 percent in the production of petroleum derivatives, followed by a 104-percent increase in the production of petroleum and natural gas; 48 percent in the production of coal; 42 percent in the production of nonferrous metals, 39 percent in the processing of nonferrous metals, and 35 percent in electric power production and distribution. The lowest rise was 7 percent in the production of cut building materials and slabs, and 8 percent in the processing of rubber.

Last year, production prices in agriculture rose 35 percent relative to the year before; both in the socialized and in the private sector, the increase was the same, 35 percent apiece. Prices in field crop and livestock raising increased 36 percent in both cases, and 21 percent in fruit raising.

According to estimates, last year's overall retail price increase amounted to 30 percent, in which the prices of goods increased 32 percent, and those of services 23 percent over 1979 (average). Food products were 28 percent more expensive on the whole. At the same time, the cost of living rose 30 percent, with an increase in 32 percent for goods, and 20 percent for services.

In December of last year, again according to estimates, retail prices were 38 percent higher than during the equivalent month of the preceding year, when the price increase for goods amounted to 41 percent, and that of services, 24 percent. Prices of industrial products (41 percent) and agricultural products (42 percent) had approximately the same increase. In December of last year, food products minus seasonal products rose 39 percent. Agricultural food products excluding seasonal produce, were 45 percent more expensive, and industrial food products were 31 percent more expensive.

Hospitality services were 36 percent more expensive during that month than during December, 1979.

Living costs for the year (from December to December) rose a total 36 percent (goods by 38 percent and services by 23 percent).

In this case, food costs rose 38 percent, clothing and footwear costs 28 percent, and housing costs 39 percent. Among the latter, the highest jump was recorded in heating and lighting costs at 57 percent, rents were 25 percent higher, and household furnishing were 35 percent more expensive.

Industrial Production

As estimated, last year's industrial production increased 4-5 percent as against 1979. During the first 10 months, reserves were 4 percent less than the previous year, although at the same time, industry employed 2 percent more workers.

Among the more important industrial products, the highest growth in volume last year was noted in the production of coal by 13 percent, cement by 5 percent, sulfuric acid by 10 percent, edible oils by 9 percent, and sugar by 8 percent. The production of crude iron and aluminum remained at the same level as in 1979, whereas a slight increase was noted in the production of steel (1 percent), and crude petroleum (2 percent). A drop in production volume was noted in electrolytic cooper, 2 percent and lead, 13 percent. Total increase in electric power production was 5 percent; in this figure, the production of power from steam power stations was 10 percent higher, whereas the production of electric power at hydroelectric power stations remained at the level of the year before.

Agriculture

According to preliminary data, agricultural production in 1980 decreased 2 percent (as compared with 1979); it increased 1 percent in the socialized sector, and dropped 3 percent in the private sector.

The production of industrial crops was lowered by 25 percent, whereas the production of grain went down 2 percent. The total drop in field crop production was 6 percent; livestock production held on to the 1979 level. Production was increased only in viticulture and fruit growing (10 percent).

Last year, 5.17 million tons of wheat and rice were produced (13 percent more than in 1979). The procurement of these two crops increased 28 percent; 2.09 million tons were procured.

It is estimated that last year's corn harvest exceeded 9 million tons, which is about 10 percent less than the 1979 harvest. Last year, about 5.2 million tons of sugar beets were produced (13 percent less than 1979).

Trade

Last year, wholesale trade turnover (estimated) amounted to 784 billion dinars, and rose 40 percent in comparison with the year before. At the same time, retail trade turnover amounted to 123 billion dinars, and increased 33 percent. Retail trade turnover increase expressed in constant prices amounted to 1 percent. The value of reserves in retail trade at the end of last year amounted to 82 billion dinars, which is a 26-percent increase in comparison with the previous year.

At the end of 1980, there were 78,994 retail stores in Yugoslavia, which is an increase of 2 percent over the preceding year.

The total value of procurement of agricultural products last year is estimated at 122.8 billion dinars, which is 36 percent higher than 1979. In constant prices, however, the procurement of agricultural products was increased 1 percent (in 1979 as against 1978, procurement in terms of constant prices fell by 6 percent).

Construction

The value of construction work conducted during the course of last year on construction projects in the socialized sector amounted to about 275 billion dinars, according to estimates. The share of projects for economic activities of about 157 billion dinars is the greatest within this sum, whereas facilities for noneconomic activities cost 118 billion dinars.

A total of about 55 billion dinars was spent for housing. As compared with 1979, the above-noted total value of construction work is 26 percent higher, even though the expenditure of working time was lowered 1 percent at the same time. The value of facilities for the economy in this same comparison is 25 percent higher, for noneconomic facilities 26 percent higher, and for housing 36 percent higher.

Through the involvement of the construction industry abroad, during the first 9 months of last year $27.7 billion were realized, which is 24 percent higher than during the same 1979 period. With the exception of 1977, when the growth in value of work abroad amounted to 52 percent over the previous year, last year's increase in the value of this work is higher than during the past medium-term plan.

Last year's results in housing construction are generally identical with 1979. A total of about 145,000 housing units were completed (here again, we speak of estimates), of which 55,000 were in the socialized sector, and about 90,000 in the private sector. There is no data on the number of housing starts and uncompleted homes in the private sector. In the socialized sector, there were about 110,000 such homes last year, which is 1 percent higher than in 1979. The total floorspace of the completed housing did not change significantly in this same comparison. It decreased a total of 1 percent (overall) and 2 percent (for socialized housing).

Transportation, Tourism

In comparing the data on freight hauls in all branches of transport, the followign indicators show up in 1980 as compared with 1979: Freight hauls by land and sea transport have a growth of 4 percent, and 6 percent respectively, whereas rail and river transport show no increase.

An 11-percent decrease was recorded in air transportation. Overall, 4 percent more good were transported in 1980 than in 1979. The total increase in ton-kilometers amounted to 1 percent. The greatest increase was noted in highway traffic--10 percent. Sea transport showed a token increase of 1 percent. The ton-kilometer transport effected in railroad transportation was the same in 1980 as in 1979, in river transport it decreased 7 percent and in air transport, it dropped 36 percent. Total number of passengers carried is in a decline in all types of transportation. Relative figures for postal traffic are as follows: PTT [Post, Telephone and Telegraph] services increased 12 percent in 1980 as against 1979, and there were 3 percent more letters and 6 percent more parcels. There was a 1-percent drop in telegrams, a 4-percent drop in telegraph pulses, whereas at the same time, the number of telephone pulses was 15 percent higher.

The total entry of foreign motor vehicles was 23 percent lower. By vehicle category, the decrease in passenger cars amounted to 24 percent, buses 7 percent, and trucks 3 percent. The number of travelers in all of these vehicles was 17 percent fewer.

If 1980 is compared with 1979, the tourist situation looks like this: totally, there were 3 percent more tourists, and the number of their overnight stays rose 8 percent. Looked at according to types of tourist locations, it is evident that in the coastal areas, there were 11 percent more domestic tourists, and 12 percent more foreign tourists. In mountain areas, there were 1 percent fewer domestic tourists, but 14 percent more foreign tourists. Tourist traffic in spas decreased 5 percent (for domestic tourists) and 1 percent (for foreigners).

Import-Export

The total increase in exports in 1980 is estimated at 32 percent, with an increase of sales to Eastern Europe of 58 percent and to the convertible currency area of 21 percent. According to economic designations, the highest increase in exports was noted in consumer goods--50 percent. The export of producer goods increased 27 percent and capital goods 17 percent.

The value of exports of industry and mining is estimated to have increased 33 percent; agriculture and fishing, 15 percent and forestry, 22 percent. Among the industrial branches, the greatest growth in exports was recorded by the chemical product manufacturing--71 percent; leather footwear--70 percent; ready-made textile products--57 percent; food products--49 percent; electric power production and distribution--49 percents; the production of transport equipment--34 percent; the processing of chemical products--34 percent; the production of coal--30 percent. The only branches in which exports dropped last year were the production of livestock feed (4 percent), and the production of hides and furs (14 percent).

Total value of imports rose at the same time 7 percent, with imports from the convertible currency area dropping 1 percent, and imports from the Eastern European clearing account area rising 36 percent. Imports from other clearing account areas grew 167 percent. By economic categories, only imports of producer goods increased, by 17 percent, whereas the imports of capital goods decreased 2 percent.

Imports for the needs of industry and mining were 7 percent higher last year than in 1979, with the greatest increase being seen by the oil industry (69 percent), nonferrous metals (79 percent), nonmetals (66 percent), and shipbuilding (46 percent). At the same time, imports less than in 1979 were realized in 16 branches.

The import of agricultural products increased 2 percent, with imports of field crop products up 6 percent, and imports of livestock products up 119 percent.

It is estimated that last year foreign trade prices increased 20 percent for imports and 21 percent for exports (as against 1979). A singular rise in import and export prices was noted for producer goods--26 percent--whereas export prices of capital goods and consumer goods rose more rapidly than those of imports.

The prices of industrial products increased 21 percent for both exports and imports, with the fact that the high price increase on the import side was most affected by the price increase in petroleum derivatives (76 percent), nonferrous metal ore (34 percent and 41 percent), chemical products (31 percent), nonferrous metal ore (34 percent and 41 percent), chemical products (31 percent), and electrical machinery and apparatuses (30 percent). The most rapid price rise was recorded for crude petroleum and gas (76 percent), leather footwear and goods (49 percent), petroleum derivatives (43 percent), and the production and processing of paper (31 percent). Only in shipbuilding were the prices lowered--by 21 percent. To the extent that it is shown that the estimates on the movement of the value of imports and exports and the movement of foreign trade prices are accurate, last year, the real increase in exports amounted to 9 percent, whereas imports were 11 percent lower in real terms than in 1979.

Table. Foreign Trade Between Yugoslavia and the World. Indexes 1-12-79-1-12-80*

	EXPORTS		IMPORTS	
	nominal	real	nominal	real
TOTAL	132	109	107	89
By activity,				
Industry and Mining	133	110	107	88
Agriculture, and Fishing	115	106	102	88
Forestry	122	99	153	120
By Category,				
Capital Goods	117	103	85	79
Producer Goods	127	101	117	93
Consumer Goods	150	130	98	88

* --preliminary data.

9625
CSO: 2800

CROATIAN FOREIGN TRADE, 1980

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 22 Jan 81 p 11

[Text] Zagreb 21 Jan (Ikos-Tanyug)--The first estimates of the final results of foreign trade of Croatia in 1980 are favorable, although it is a fact that the amounts earmarked for the balance-of-payment position of the republic were not realized. The satisfaction with the trade conducted last year stems from the fact that with the current economy in its difficult straits, exports did increase by 22 percent, whereas imports were 5 percent higher than last year. The value of goods exported reached 56,695,000,000 dinars, and goods in the amount of 108,754,000,000 dinars were imported. Exports to the convertible currency zone increased 20 percent, and amounted to 37,665,000,000, whereas imports decreased by 5 percent and amounted to 85,564,000,000 dinars.

Coverage of imports by exports improved from 44 percent in 1979 to about 51 percent in 1980.

As far as imports are concerned, people involved with the economy point to the fact that, with the exclusion of the purchase of expensive petroleum, all other imports were lowered considerably. The economy made do with some 30 percent less imported producer goods than in 1979. In view of the great dependence on imports, this reduction accounted for a major share of the import results. The shortage of producer goods is the main reason for below capacity exports in certain important export branches, such as, for example, machine building.

Among the categories that achieved the most successful export results are the leather and footwear industry, the textile industry, wood processing, shipbuilding, etc.

The trade results were less favorable when compared with the tasks set forth by the balance-of-payments position of Croatia for 1980. Exports of goods was 7.3 percent less than the anticipated balance-of-payments plan for the republic.

But in view of the circumstances, under which the industrial production of Croatia increased a total of 2 percent in 1980, the export results attained are evaluated as an exceptional success.

It is the estimate of persons involved with economic matters that the effects of devaluation were completely cancelled out, and their direct effects as a result of providing export incentive were about 17 percent. With regard to this fact, particular importance is being attributed to the policy of continued use of the true exchange rate, and not by way of exchange rate change "shocks," but rather by continuous rate adaptation.

The reserves of producer goods in the Croatian economy are almost completely exhausted, and the solution of the most acute problems concerning the supply of producer goods to industry is currently being given priority. In order to coordinate the balance-of-payments positions of the republics and provinces, the Executive Council of the Croatian Assembly has enacted economic measures concerning the possibilities of importing producer goods during the first quarter of this year. During the first quarter, the import of producer goods could increase 20 percent in comparison with the same period last year. In other words, it is estimated that in view of the fact that the import of crude petroleum will be solved on a country-wide level, in 1981, it will be possible to increase the import of producer goods in Croatia by 25 percent in comparison with 1980. The import of equipment will be reduced, even during this year, whereas the procurement of consumer goods would be 1.3 higher than last year.

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CSO: 2800

NUMBER OF REGISTERED VEHICLES, 1979; SAFETY NEEDS

Belgrade TRANSPORT in Serbo-Croatian No 11, Nov 80 pp 14-16

[Text] Traffic Safety Situation

Taking as a point of departure the realization of the achieved level of traffic safety and the causes of such a situation in highway traffic, as well as the effectiveness of previous measures taken for the purposes of carrying out the policy of self-protection in traffic, we shall also present concisely the indicators of this situation, its causes, and the most current problems in this area, including proposed measures for overcoming the existing weaknesses.

In the period from 1970 to 1979 there were 419,395 traffic accidents on Yugoslav roads in which 45,655 persons were killed, while 477,436 persons were severely or slightly injured.

The particularly bad situation of 1977, 1978, and 1979 continues into the previous period of 1980. According to statistical data the number of traffic accidents in 1979 was 48,843 in which 5,472 persons were killed, 1.7 percent more than in 1978, while the number of injured was 66,000.

The data showing that the number of children who are victims of traffic accidents is increasing constantly is particularly disturbing. Thus, in 1977 the number of children killed in traffic accidents was 477, while in 1979 it was 515.

It is impossible to give a precise account of the total material damage not only because it is determined subsequently but also because there are additional expenses which place a direct and significant burden on society and the community (for example, expenses for the treatment of the injured, life and property insurance, sick-leave compensation, disability, loss of earnings, expenses for retraining of workers injured in traffic accidents, etc).

In the first half of 1980, as compared to the same period of 1979, the number of traffic accidents involving victims decreased by 3.1 percent, the number of persons killed by 5.0 percent, the number of injured by 6.8 percent, while material damage increased by 26.8 percent.

Although the consequences of traffic accidents are rather pronounced it can still be concluded that the growth of traffic accidents and the number of victims is considerably slower than the growth of the number of vehicles, drivers, kilometers driven, and the volume of traffic, which has registered an annual growth of 15 to 20 percent.

Among victims of traffic accidents the largest number, almost 40 percent, are drivers. The number of passengers who are victims of traffic accidents amounts to about 34.5 percent, and that of pedestrians to 25 percent. Among persons killed in traffic accidents, however, 40 percent are drivers, 35 percent pedestrians, and 25 percent passengers. This shows that the percentage of pedestrians killed in traffic accident approaches that of drivers so that pedestrians continue to represent the most threatened category of participants in traffic.

Traffic Safety in the Period January-September, 1980

In the first 9 months of 1979 there was a slight increase in the number of traffic accidents and their victims.

It is characteristic that the number of drivers killed in these accidents continues to be the highest, followed by pedestrians and passengers. Data on injured persons is somewhat different since passengers represent more than one-third of the total number of injured.

It is also characteristic that year after year, particularly during the summer, the number of more serious accidents involving buses is greater.

These accidents result mainly from fatigue on the part of bus drivers, high and inappropriate speed in competition for a greater number of passengers, leading to illegal and dangerous passing, while in some cases drivers have been found to be under the influence of alcohol.

Road Network

The investment of resources in road construction and, recently, in highway construction in Yugoslavia is considerable. The medium-term plan for the development of roads in the period 1976-1980 provides for a 9,300 kilometer expansion of the network of roads with modern lanes. However, on the basis of the [extent of] realization of the plan for the period 1976-1980, and its assessment up to 1980, it can be concluded that these provisions have not been realized in the anticipated volume.

The agreement on the bases of the Social Plan of Yugoslavia for the development of expressways from 1976 to 1980 provides for the construction and improvement of 404 kilometers of highways and 183 kilometers of divided highways. Thus far only 250 kilometers of highway have been constructed. This represents 0.4 percent of the total network of roads with modern lanes or 0.2 percent of the total road network in Yugoslavia. In some European countries the percentage of highways in relation to the road network with modern lanes as well as in relation to the total road network is considerably higher.

Regardless of the results achieved in the construction and improvement of the road network, it is necessary to point out certain shortcomings observed in previous practice. These are related mainly to the neglect of the technical traffic elements concerning safety and traffic flow on these roads.

Vehicles

The increase in the number of motor vehicles in Yugoslavia has been much more dynamic than the construction of roads. Substantial production of motor vehicles began in 1955 so that thus far 3.3 million motor vehicles of all types have been produced in the country. Close to 360,000 motor vehicles of various types were produced in 1979 alone.

The total number of registered vehicles at present is over 2.8 million (one motor vehicle per eight citizens), with 2.3 million being passenger vehicles. Some 86 percent of the total rolling stock is privately owned, 95 percent being passenger vehicles, over 28 percent freight vehicles, more than 69 percent tractors, and over 85 percent motorcycles, which renders the problem of traffic safety even more complex (See Table 1).

Table 1. Registered Motor Vehicles in Yugoslavia From 1970 to 1979

(3) Vrsta vozila	(1) Godina					(2) Index	
	1970.	1975.	1977.	1978.	1979.	1979/70.	1979/78.
(4) 1. Putnički automobili	720.874	1,536.677	1,923.904	2,132.327	2,284.693	316,9	107,1
(5) 2. Autobusi	14.869	20.180	21.857	23.174	23.504	158,0	101,4
(6) 3. Teretni automobili i tegljači	107.287	142.520	157.957	171.109	117.375	165,3	103,7
(7) 4. Vučna vozila traktori i radna vozila	30.589	75.414	80.673	82.798	92.780	303,3	112,0
(8) 5. Specijalni automobili	10.123	16.179	19.342	21.983	23.554	232,6	107,1
(9) 6. Motocikli	369.583	283.425	241.565	228.472	220.461	59,6	96,5
(10) 7. Priključna vozila	40.717	73.023	92.242	105.017	113.280	278,2	107,8
(11) 8. Ukupno	1,253.325	2,074.395	2,445.298	2,659.863	2,822.367	225,2	106,1

KEY:

(1) Year
(2) Index
(3) Type of vehicle
(4) Passenger vehicles
(5) Buses
(6) Freight vehicles and haulers
(7) Towing vehicles, tractors and work vehicles
(8) Special vehicles
(9) Motorcycles
(10) Trailers
(11) Total

The average number of foreign vehicles that entered Yugoslavia in the course of the last 2 years has been 13.6 million annually. In 1979 this number was approximately 15 million.

The technical maintenance of motor vehicles for public transportation as well as of private use vehicles is an essential factor for the safety and working conditions of drivers. In this respect there is a problem which renders the resolution of this factor difficult. The existence of a great variety of vehicle brands, the underdeveloped activity of overhauling, the parcelled nature of these facilities, lack of space, inadequate technical equipment and a weak manpower base, organizational and other forms of negligence in controlling the technical quality, particularly in the rolling stock of buses, result in unfit vehicles operating on the roads. Similar to this, although much more difficult, is the situation concerning the maintenance of privately owned vehicles. The high prices of maintenance and repair services and the lack of spare parts in OOURs [Basic Organizations of Associated Labor] for auto repair contribute to the development of individual, most frequently amateur, unskilled repair work of poor quality, which also contributes to the frequency of technically unsound vehicles in use. This refers particularly to repairs of vehicles damaged in traffic accidents, demonstrating that a large number of privately owned passenger and freight vehicles are undoubtedly operating unfit and become a cause of traffic accidents. The daily severity of traffic accidents points to the fact that, despite legal obligations, in many transportation organizations, including those which engage in transportation organizations, including those which engage in transportation for their own needs, there is no organized, independent and effective internal control whose primary aim would be the timely prevention of attempts to violate the technical and ethical traffic norms. The race for earnings and disloyal competition among organizations engaged in public transportation are often the cause of serious accidents, a fact which is overlooked by self-managing organs and responsible officials in these organizations.

Drivers' Training and Tests

At present in Yugoslavia there are 3.5 million citizens who hold a driver's license. This means that almost every sixth citizen has the right to operate one of the categories of vehicles. The annual growth in the number of drivers is 300,000.

9687
CSO: 2800

YUGOSLAVIA

CROATIA'S PLANS TO AID UNDERDEVELOPED REPUBLICS, KOSOVO

Pristina JEDINSTVO in Serbo-Croatian 23 Jan 81 p 6

[Text] Business executives in Croatia estimate that the new social compact on policy governing the faster development of the economically underdeveloped republics and Kosovo, which allows for 50 percent of the compulsory appropriation to be committed through the pooling of labor and capital by OUR's [organization of associated labor], will be an important impetus in making work organizations here more active in the underdeveloped areas.

Under that compact Croatia will appropriate about 38 billion dinars for the development of the underdeveloped republics and the Province of Kosovo in the period from 1981 to 1985, and 18.5 billion of that can be committed by pooling the labor and capital of organizations of associated labor.

Efforts are now under way in the republic to devise sound programs which would bring together several interested organizations, and they are aimed not only at long-term solutions to the problems of sources of energy, raw materials and producer goods and at problems in supplying food products to centers of consumption, but also at development of new production operations with a higher level of manufacturing.

Investments in Kosovo

Several work organizations here are interested in joint investments in Kosovo, and some of them, Djuro Djakovic of Slavonski Brod and Podravka of Koprivnica for instance, have already drawn up projects which are about to be carried out.

The Djuro Djakovic SOUR [complex organization of associated labor] is offering partners in Kosovo a program of "air-cooled heat exchangers consisting of clustered pipes." The new factory would employ 250 workers, and the investment would amount to 308 million dinars. The project is about to be carried out.

The Podravka SOUR of Koprivnica is working on implementation of a program for a toilet soap factory in Prizren which would be part of Farmakos. The new factory would employ 70 workers, and the investments are estimated at 184 million dinars. The plans are now being drawn up, and construction could begin in the middle of the year. Podravka is negotiating with Agrokosovo on programs for food production and processing.

The involvement in Kosovo of Jugoturbina of Karlovac is oriented toward building a plant that would fit within its own production program or an altogether new plant, as well as toward capital maintenance and general overhauls of turbines and pumping machinery in the fuel and power industry.

The Zagreb Steam Boiler Factory has been collaborating for a long time now with Metalac of Prizren concerning production capacity within its program. A self-management accord has been signed on business and technical collaboration which constitutes the basis for future cooperation. It concerns a facility for maintenance, installation and repair of boilers in the first phase and later production of components and finishing of small boilers for industrial power or heating plants would be added. The economy here is especially interested in mutual collaboration of interest to both sides in the energy field and specifically the production of electric power equipment, which would mean adoption of a joint concept by the electric power industry and machinebuilding; this concept would include even production of a part of the power-generating equipment in Kosovo on the basis of division of labor and specialization.

Collaboration to Mutual Advantage

There are considerable opportunities for joint investments with Macedonia, according to the assessment in the Economic Chamber of Croatia, especially in the production of food, specifically in organizing supply to tourist areas and large centers of consumption, in the chemical industry, and so on.

Programs of this kind will be carried out by Podravka, and interest has also been shown by the Kras Agricultural and Food Processing Combine in Zagreb, by Badei and Frank and by Plava Laguna of Porec and others. In the chemical industry they will be carried out within OHIS [Naum Naumovski Organic Chemical Industry of Borce], and programs are also possible in the heavy chemical industry and chemical manufacturing industry. The Rade Koncar SOUR has development programs for its work organizations in Macedonia. In Bosnia-Hercegovina there are several organizations from here which are involved in joint investments with the Bosnian economy. The Jugoturbina SOUR of Karlovac is investing in pump manufacturing in Drvar, RIS [Rubber Products Industry] of Zagreb is investing in a plant at Gradacac, and Rudar of Zagreb is investing in Grupeks' prestressed reinforced-concrete fabrications plant at Velika Kladusa. Hostelers and trade organizations in Split are pooling capital to invest in food production in Glamoc to meet the needs of the Split region, and the Union Dalmacija Hotel and Tourist Service Enterprise is investing to build a recreation center at Kupres. There is a particular interest in investments in Bosnia in the field of the nonmetallic minerals industry, in development of mines for coal, iron ore, raw materials for detergent production, and so on.

Ferrous and nonferrous metallurgy and the tourist industry are the foremost targets for investment in Montenegro, and there is indication as well of the possibility that INA [Zagreb Petroleum Industry] of Zagreb will pool labor and capital with Jugopetrol of Titograd.

Yet the overall assessment is that there is a lack of sound development programs in which development strategy will be manifested to mutual advantage. The goal is to arrive at projects in which relations are based on shared income and which would bring both high income and adequate employment. Capital is available for such projects, which makes it all the more important to step up this effort.

Even this year 3.385 billion dinars are to be pooled out of the total allocation, which amounts to about 6.8 billion dinars. Of this, 1.442 billion are intended for Kosovo, 943 million for Bosnia-Hercegovina, 663 million for Macedonia, and 335 million dinars for Montenegro. Over the entire 5-year period the pooling of labor and capital from Croatia for capital investment projects could mean 7.885 billion for Kosovo, 5.164 billion for Bosnia-Hercegovina, 3.628 billion for Macedonia, and 1.833 billion dinars for Montenegro.

7045
CSO: 2800

SLOVENIAN BANK AIDS ECONOMIC COOPERATION IN KOSOVO

Pristina JEDINSTVO in Serbo-Croatian 6 Jan 81 p 6

[Article by V. Cikanovic: "A Contribution to Economic Ties"]

[Text] The associated labor of Slovenia, by means of joint economic interests in carrying out the goals and tasks of both its current and developmental plans, along with the advancement of socioeconomic relationships, is even developing a network of banking units outside the Socialist Republic of Slovenia. Thus, 4 years ago, for example, a unit of the Ljubljana Bank was established in Pristina with the status of a branch under development. The branch began operation with the primary goal of acting as an intermediary and giving its own contribution to the development of economic ties and association of the economies of Slovenia and Kosovo.

The business unit in Pristina, like all banking organizations under development, began its operation initially with the accumulation of funds from the populace, to gradually assume a position in the economy, including itself in its developmental process and allocating an ever-increasing share of funds for this process. This required the maximum efforts of the business unit with regard to becoming more rapidly and efficiently settled within associated labor and to earn the confidence of associated labor. Under these conditions, the business unit gradually, but steadily, strengthened its economic and social foundation and realized the basic goals for which it was established, which can be seen from the indicators on economic ties, and about the growth in potential of the unit, and from the directing of the funds of this potential into the development of the economy of Kosovo Province.

Considerable progress has been made during recent years in linking the economies of Kosovo and Slovenia. Thus, the Farmakos Pharmaceuticals Factory associated funds with the Ljubljana Lek Factory. The cooperation of these two organizations was solidified through joint investments in the construction of a bismuth salf factory in Prizren. Trepca, which will supply raw materials for the future factory, has been included in the agreement of these two organizations of associated labor.

In addition to this, good examples of economic cooperation are the Ljubljana Termika, which recently built a factory in Pristina, then the Electric Motor Factory in Djakovica concluded an agreement on business and technical cooperation with Gorenje, Elektroprivreda Slovenija [Electric Power System of

Slovenia] concluded an agreement with Elektroprivreda Kososo on tapping off a part of the electric power from the Kosovo B Steam Power Station, and intensive discussions are under way concerning economic cooperation between 20 organizations of associated labor of Kosovo and Slovenia.

As far as the growth of total funds of the business unit from its inception until today is concerned, it can be concluded that the funds as a whole grew at a high rate, and that the potential increased by more than four and a half times, which is above the average growth of funds in other banking units with the same kinds of operating conditions. Of course, the main part of the funds continues to be the funds of the populace, but the funds of organizations of associated labor from the economy are increasing significantly. It is important to mention that more than 25,000 citizens have opened their own accounts, in the business unit in Pristina, and along with this, this unit is the first in Kosovo to introduce a noncash form of payments and has begun to get settled in this. Likewise, about 2,000 citizens opened checking accounts, through which they obtain their wages.

The future development of the business unit of the Ljubljana Bank in Pristina is based on the realistic premises on the strengthening of its economic basis which has to take place from the increase in number and structure of its members, and consequently, from a greater association of funds and broader ties on income bases of associated labor from Slovenia, other republics, and Vojvodina Province, with the associated labor of Kosovo. For this purpose, consideration is being given to the establishment of a basic bank, or the growth of the business unit into a basic bank, which, according to some opinions, ought to be dually associated--into the Kosovo and Ljubljana banks. However, with respect to this question, it is necessary to clarify primarily the associated labor of Kosovo Province. For the business unit will be able to grow into a basic bank only to the extent that associated labor finds its own interests and recognizes its real needs.

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CSO: 2800

CHANGES RESULTING FROM KOSOVO'S NEW IRRIGATION SYSTEMS

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 22 Jan 81 p 4

[Article by M. Delibasic: "Priority For Land Improvement"]

[Text] In the long-term conceptual plans and the medium term plans for the development of Kosovo, the production of food is considered to be one of the strategic goals of accelerated economic progress, which also holds true for the entire country. The ever more complicated trends in the world economy, which are reflected most unfavorably in the underdeveloped regions, make this question more and more urgent, and with respect to this factor and to the natural advantages of Kosovo, this economic sector would have to be developed more intensively during the coming years. It is estimated that in this medium-term period, along with the satisfaction of the populace's need for food, a goodly share of the food could already be exported, which would have a favorable effect on Kosovo Province's balance-of-payments position.

One of the most important undertakings in finding ways for increasing total agricultural production in Kosovo, however, is the construction of the Ibar-Lepenac and the Radonjic irrigation systems. As an exceptionally arid area (annual shortfall of 3,200 m^3 of water) irrespective of the favorable land conditions, Kosovo Province thus far has been a place where high production could not be achieved. This is so because the majority of agricultural crops require large quantities of water in order to develop properly. Of course, during recent years, several smaller irrigation systems were built which have been used more or less successfully; however, agricultural production developed on the greater part of the cultivated land under conditions of dry-earth field crop growing. Of 400,000 [hectares of] fertile plowed field in Kosovo, about 50,000 are served by irrigation systems, of which, a bare 40,000 hectares or 10 percent of the plowed land is currently irrigated.

Water Increases Yields

With the construction of the first phase of the "Ibar-Lepenac" irrigation system (20,000 hectares) and the "Radonjic" system (10,250 hectares), the irrigation capacities for this and the coming years will be doubled. By year's end 1985, completion of the second phases of these systems ("Ibar-Lepenac"--40,000 ha and "Radonjic"--10,750 ha) is expected, which will be an important foundation for large-scale high-quality production.

The use of water from the "Ibar" system, which is divided into four subsystems (Ibarsko Polje--880 ha; North Kosovo I--7,300 ha; North Kosovo II--6,100 ha; and Drenicko Polje--5,620 ha), will begin this year in the region of Kosovska Mitrovica on a total anticipated land area of (1,480 ha), and on part of the land area of Vucitrn Opstina (about 1,400 ha). In 1982, the water will also be directed toward Pristinsko Polje (7,100 ha), Glogovac (5,620 ha), and the remaining ares in Vucitrn community (4,300 ha). The construction of the "Radonjic" irrigation system, which will irrigate 21,000 hectares of cultivated land in Prizren, Orahovac, and Djakovica opstinas, is quite behind schedule. The completion of the first phase of this system is expected by next year, when, it will be possible, especially in the Djakovica Opstina, to irrigate 10,250 hectares of cultivated land, from which very modest yields have been obtained so far.

In order to successfully realize the predicted goals, it is necessary to give priority to the solution of a number of organizational, technical, financial, social-economic, and other questions in the regions which will be covered by the irrigation network. Certainly, one of the most vital conditions for high productivity under conditions of irrigation is land management. Of the total land areas under the "Ibar" system, 17,500 hectares are under private ownership. The property of about 7,000 private farmers is small on the average (2.8 hectares per farmstead) with parcels of 35 ares, which causes difficulties both with respect to the organized use of water, and in the application of modern machinery and technology.

Change in the Structure of Sowing

Having in mind that things are running quite a bit behind schedule in this extensive and complicated endeavor, during the past few months, there has been a quickening of the activity of socio-political and other structures in Kosovo Province in the direction of the most efficient possible execution of the Law on Land Distribution, Integration, and Reparceling [Zakon o arondaciji, komasaciji, i preparcelizaciji zemljista], which had been enacted in 1976. In the Kosovo opstinas and farmer organizations, there is a rush of enaction of plans for using the land due to be covered by the irrigation system. In view of the fact that the successful conduct of the land integration, as the most favorable form of land management in the "Ibar" irrigation system, depends to a great extent also on the 7,000 farm land owners of this region, in the Socialist Alliance organization, members of these communities are the organizers of meetings with farmers, at which the latter as the future users of the water, are being familiarized with the significance and the advantages of land management.

The activity of organizing farmers is developing very intensively even in the Cooperative Association of Kosovo. Keeping in mind the importance of land management as an agrotechny measure, it has been planned to form eight additional organizations of associated farmers in addition to the current nine in this region before the start of the use of the Ibar water. Along with its good organization, the provision of material necessities and personnel, and the change in the sowing structure, this will be a solid foundation for the accelerated development and advancement of agricultural production.

Until now, the holdings of private farmers in this region were mainly planted with grain (83 percent) and less intensive crops: sugar beets, sunflowers, vegetables, etc. Therefore, a change in sowing structure is necessary both from the aspect of achieving higher income on land areas scheduled for irrigation, and for the purpose of better utilization of processing capacity in Kosovo Province, and for providing greater quantities of food. Whether or not there will be a threefold increase in field crop production, and a sixfold increase in livestock production on the cultivated land covered by the "Ibar" irrigation system, as has been predicted at the time of its planning, will depend upon many aspects upon the successful organization of the farmers, who are the owners of the major part of the cultivated land areas.

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